

**NEW APPLICATION**

**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

JIM O’CONNOR, Chairman  
LEA MÁRQUEZ PETERSON  
ANNA TOVAR  
KEVIN THOMPSON  
NICK MYERS

IN THE MATTER OF THE APPLICATION OF  
DIXIE ESCALANTE RURAL ELECTRIC  
ASSOCIATION, INC. FOR A DETERMINATION  
OF THE FAIR VALUE OF ITS PROPERTY AND  
FOR AN ORDER SETTING JUST AND  
REASONABLE RATES

Docket No. E-02044A-23-  
**APPLICATION**

Dixie Escalante Rural Electric Association, Inc. dba Dixie Power (“Dixie” or the  
“Cooperative”) in support of its Application states as follows:

1. Dixie is a nonprofit cooperative corporation incorporated in Utah that provides  
electric distribution service to approximately 26,500 customer meters in Utah and fewer than  
3,000 customer meters in Mohave County, Arizona.

2. Dixie is a Class B Utility as defined by A.A.C. R14-2-103. Filed herewith and  
incorporated by reference are the Direct Testimony of LaDel Laub as well as the Schedules and  
other materials in support of this Application. The Cooperative stipulates that the Commission  
may use its original cost less depreciation rate base for determining a return on fair value.

3. In Dixie's last rate case, the Commission authorized a 21.67 percent increase in  
annual revenues (Decision No. 76222, dated July 13, 2017). The revenue increase was  
necessitated by increased operating costs and plant improvements, and the rates were designed to  
more closely align the Cooperative’s Arizona rates with Utah rates.

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1           4.       For the 12 months ended December 31, 2021, the test year in this case, Dixie's  
2 Arizona rates produced an operating margin deficit or loss of more than \$198,000 before interest  
3 expense.

4           5.       By this Application, Dixie seeks a revenue increase of 7.67 percent over current  
5 rates (10.95 percent over 2021 test year revenues). The proposed increase would produce a 2.09  
6 percent rate of return on its rate base of \$8,304,272 and would yield an operating margin of  
7 \$173,727 before interest expense.

8           6.       The Cooperative's rate case addresses a variety of issues. The rate increase is  
9 associated with increased operating costs and on-going infrastructure improvements. The  
10 infrastructure projects include projects directly benefitting Dixie's Arizona members by  
11 enhancing the reliability of that portion of the system.

12           7.       Like its last rate case, Dixie's rate relief in this Application is premised upon  
13 aligning its Arizona rates with the rates charged to its Utah customers.

14           8.       This Application also proposes rate design changes to address summer peaking  
15 concerns raised by Dixie's wholesale supplier, Deseret Power Electric Cooperative ("Deseret").  
16 Specifically, the Cooperative is proposing to implement (1) a separate wholesale peak season  
17 cost adjustor to pass along a new summer peak rate that Deseret is expected to begin assessing in  
18 2024 and (2) new optional time-of-day and time-of-use rates to incentivize Residential and Large  
19 Commercial customers to reduce usage during peak hours.

20           9.       In addition to the new time-of-day and time-of-use tariffs, Dixie is proposing  
21 three more new rate schedules: a tariff for Small Commercial users (0 to 100 Amps) and two  
22 contract rate tariffs for large Industrial (2500 kW minimum) and High Density (200 kW  
23 minimum with density greater than 250 kWh per square foot) members.

1           10.     The Cooperative is also requesting continuation of its existing purchased power  
2 adjustor (which Dixie proposes be called its “Wholesale Power Cost Adjustment Mechanism” or  
3 “WPCAM”). Dixie’s existing adjustor has proven successful in allowing fluctuations in its  
4 purchased power (both increases and decreases) to flow through to customers on a timely basis.  
5 Dixie is proposing to implement the WPCAM pursuant to the same plan of administration as its  
6 existing mechanism and to track and implement the wholesale peak season cost adjustment  
7 assessed by Deseret under a separate plan of administration.

8           11.     This Application also includes revisions to Dixie’s service regulations, including  
9 the addition of two regulations describing the Cooperative’s service termination policy and  
10 optional prepaid service program.

11           12.     Finally, Dixie is requesting that the Commission discontinue the quarterly  
12 interconnection reporting requirement set forth in Decision No. 77653 and waive the annual  
13 filing requirements set forth in A.A.C. R14-2-211(A)(6)(f) and (A)(17).

14           WHEREFORE, having fully stated its Application, Dixie requests that the Commission  
15 enter its Order approving the various requests identified in this Application and supporting  
16 materials, including the requested rate increase; new rates, fees, charges, and tariffs; revised rate  
17 design; continuation of its existing purchase power adjustor and addition of a new peak season  
18 adjustor charge; revisions to its service regulations, and waiver of future quarterly  
19 interconnection reports and annual reports under the Commission’s termination of service rules.

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RESPECTFULLY SUBMITTED this 13<sup>th</sup> day of April, 2023.

GALLAGHER & KENNEDY, P.A.

By 

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**ORIGINAL** of the foregoing eFiled  
with Docket Control via ACC Portal  
this 13<sup>th</sup> day of April, 2023.

**Copy** of the foregoing emailed and  
**8 courtesy copies** hand-delivered  
this 13<sup>th</sup> day of April, 2023, to:

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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REASONABLE RATES

Docket No. E-02044A-23-

**DIRECT TESTIMONY OF**

**LADEL LAUB**

**ON BEHALF OF**

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**April 13, 2023**

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1 **INTRODUCTION**

2 **Q. Please state your name, business address, and occupation.**

3 A. My name is LaDel Laub. My business address is 71 E. Highway 56, Beryl, Utah 84714,  
4 and I am the Chief Executive Officer of Dixie Escalante Rural Electric Association, Inc.  
5 dba Dixie Power (“Dixie” or the “Cooperative”).  
6

7 **Q. Please describe your professional qualifications and experience.**

8 A. I received a Bachelor’s Degree in Business Administration with a minor in Accounting  
9 from Southern Utah University in 1994. I began my career with Dixie as an accountant  
10 in 1991 and four years later became the CFO. I attended and graduated from the National  
11 Rural Electric Cooperative Association Management Internship Program at the  
12 University of Nebraska, Lincoln in 1995. In 2002, I was promoted to Assistant General  
13 Manager and in 2008 was hired as the President and CEO of the Cooperative. I have  
14 previously testified before the Arizona Corporation Commission (the “Commission” or  
15 “ACC”).  
16

17 **Q. On whose behalf are you appearing in this proceeding?**

18 A. I am appearing on behalf of the Applicant, Dixie. Dixie is a Utah nonprofit, member-  
19 owned cooperative utility, which (as of December 31, 2021) provided electric service to  
20 27,642 customer meters, 24,844 of which were located in Utah and 2,798 in Mohave  
21 County, Arizona. Dixie is managed by a member-elected Board of Directors, including  
22 an Arizona member Director.  
23  
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1 **Q. Was this testimony prepared by you or under your direction?**

2 A. Yes, it was. Additionally, I supervised the preparation of Schedules A through H and the  
3 revised rate schedules and service regulations attached to this testimony. Also attached  
4 are the internally prepared historical financial statements as well as the report of Dixie's  
5 Certified Public Accountants.

6  
7 **Q. Mr. Laub, please provide an overview of your testimony.**

8 A. My testimony describes the various requests included in Dixie's rate application. Dixie is  
9 requesting a revenue increase of 7.67 percent over current rates, which is 10.95 percent  
10 over 2021 test year revenues. Our request is based on operating cost and purchase power  
11 increases as well as on-going infrastructure improvements. In addition to increasing its  
12 revenue requirements, Dixie is proposing changes to rate design and cost recovery to  
13 address its summer peak load and to incorporate fixed and variable charges that mirror  
14 the rates that went into effect for the Cooperative's Utah customers on March 1, 2023.  
15 The Cooperative is also requesting continuation of its existing purchase power adjustor  
16 mechanism, which has been in place since 2013. Additionally, we are proposing  
17 revisions to our Arizona service regulations, including updating the impact fee schedule  
18 and adding a stand-alone service termination policy and an optional prepaid service  
19 program. Finally, Dixie is requesting relief from quarterly interconnection reports that  
20 we believe are no longer necessary.

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1 This revenue increase is also necessitated by ongoing infrastructure improvement  
2 projects, which will benefit all our members – including Arizona members. These  
3 projects include infrastructure improvements and upgrades to the Cooperative’s  
4 distribution and transmission systems in Arizona.  
5

6 **Q. And what rate impact will the revenue increase have on Arizona customers?**

7 A. The overall revenue increase is 10.95 percent over test year revenues. However, the  
8 actual rate increase will be less (only 7.67 percent) compared to the rates in effect as of  
9 the date of this filing. This is due to the rate adjustment that went into effect in February  
10 2023 pursuant to Dixie’s existing Purchased Power Adjustor Mechanism (“PPAM”).  
11 While the rate adjustments under the PPAM have been relatively minor historically, the  
12 2023 adjustment increased from \$0.0005 to \$0.0045 due to increases in Dixie’s  
13 purchased power costs in 2022. The recent rise in wholesale power costs is anticipated to  
14 continue due to summer peaking, which Dixie is proposing to address through some of its  
15 rate design changes described later in this testimony.  
16

17 **Q. Please explain the original cost rate base (“OCRB”) calculation shown in**  
18 **Schedule B-1.**

19 A. Dixie is recommending that the Commission adopt an OCRB of \$8,304,272. In an effort  
20 to limit the potential issues that may arise during the processing of this case, we made no  
21 pro-forma adjustments to Rate Base and excluded Construction Work in Progress given  
22 the position Staff took on this issue in the Cooperative’s last rate case. Also, we  
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24

1 subtracted \$34,963 of customer deposits and \$3,519,822 of impact fees from the Rate  
2 Base calculation.

3  
4 **Q. Why hasn't Dixie included its reconstruction cost new less depreciation ("RCND")**  
5 **information (Schedules B-3 and B-4) in its application?**

6 A. Dixie stipulates that the Commission may use its original cost data for the calculation of a  
7 rate of return on fair value for this proceeding. Therefore, the RCND information  
8 contained on Schedules B-3 and B-4 is unnecessary.

9  
10 **Q. Please describe Schedule B-5.**

11 A. Schedule B-5 provides the computation of working capital by component, including  
12 materials and supplies as well as prepayments for our Arizona operations. The  
13 Cooperative decided not to incur the additional expense required to conduct a lead/lag  
14 study. Accordingly, no cash working capital allowance is sought in this case.

15  
16 **Q. Has Dixie made any pro-forma adjustments to its test year operating income**  
17 **statements?**

18 A. No. In order to limit potential issues, Dixie applied no adjustments. Accordingly, as  
19 shown in Schedule C-1, Dixie's test year and adjusted test year are identical. Although  
20 not reflected in the C Schedules, Dixie has been experiencing increases in its purchased  
21 power costs both during the test year and in 2022. We are proposing to address this trend  
22 through rate design and an additional peak season adjustor mechanism.

1 **COST OF SERVICE AND RATE DESIGN**

2 **Q. Mr. Laub, did Dixie prepare a class bundled cost of service analysis for this rate**  
3 **filing?**

4 A. Yes. The cost of service study is provided in Section G of the attached Schedules.  
5

6 **Q. Typically, the cost of service study is used as the basis to allocate revenues among**  
7 **customer classes. Did you use the cost of service study to allocate revenues to**  
8 **customer classes?**

9 A. No. As I indicated earlier in this testimony, Dixie's Board and management adopted a  
10 policy to keep Arizona and Utah rates the same. The Commission approved this policy  
11 in the Cooperative's last two rate cases, and we believe the circumstances continue to  
12 merit a deviation from using the cost of service study to set rates for our Arizona  
13 customers. For this reason, the G Schedules are provided primarily to comply with  
14 Commission requirements and to provide context for Dixie's proposed rates compared to  
15 the revenues that are necessary to cover ongoing costs for the Cooperative's Arizona  
16 operations.  
17

18 **Q. Based on the policy to mirror Dixie's Utah rates, how is the proposed revenue**  
19 **increase being allocated to the various Arizona customer classes?**

20 A. The rates for all classes except lighting will increase. The rate for Highway Lighting will  
21 remain unchanged and the rate for Area/Street Lighting is being reduced from \$14 to \$12  
22 per light per month.  
23  
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1 For Residential, Commercial, and Industrial customers classes, the bulk of the revenue  
2 increase will take the form of increases in Dixie’s fixed Service Availability Charges  
3 (formerly “facilities service charges”). As explained in Dixie’s last rate case, increasing  
4 the monthly charges is consistent with cost causation because the majority of the  
5 Cooperative’s distribution-related costs are fixed and do not vary with the number of  
6 kWh used. Further, using fixed charges to collect fixed costs helps to alleviate cash flow  
7 shortages and surpluses that result from a rate design that is heavily weighted toward a  
8 kWh charge.

9  
10 For each customer class, Schedule H-3 compares the current, PPAM-adjusted rates in  
11 Arizona with the rates proposed in this rate case along with the PPAM-adjusted rates in  
12 Utah prior to and following the implementation of new rates in Utah on March 1, 2023.

13  
14 **Q. Please describe the approval process for Dixie’s Utah rate increase.**

15 **A.** In Utah, the Cooperative’s rate approval process is streamlined. First, the rate change is  
16 approved by the Board of Directors and presented to the customers/members at specially  
17 noticed informational meetings. Then, the revised rate schedules are filed with the Utah  
18 Public Service Commission (“PSC”) for review and approval, which typically takes about  
19 30 days.

20  
21 For the rates that went into effect in Utah on March 1, 2023, Dixie’s Board approved the  
22 rates on November 2, 2022, and they were presented to Dixie’s customers/members at  
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meetings held in early January 2023. The revised rate schedules were then filed with the Utah PSC on January 18, 2023 and were approved on February 6, 2023.

**Q. What are the proposed rates for the Arizona Residential customer class?**

A. For our standard Residential members, we are recommending the per kWh rate be set at \$0.0660 per kWh (a \$0.0035 increase compared to the PPAM-adjusted rate in effect as of February 2023) and the Service Availability Charge be increased from \$25 to \$29 per month.

**Q. What rates are you proposing for the Small Commercial customer class?**

A. We are recommending the per kWh rate under our existing Small Commercial service tariff be set at \$0.0570 (which is a \$0.0005 decrease from the PPAM-adjusted rate in effect as of February 2023). We also recommend that the demand charge (for additional kW after the first 20 kW) be increased from \$10 to \$10.50 per kW month and the Service Availability Charge be increased from \$30 to \$39 per month.

**Q. What about Dixie's Large Commercial customers?**

A. For the standard Large Commercial members, we recommend the per kWh rate be set at \$0.0320 (which is a \$0.0005 decrease from the PPAM-adjusted rate in effect as of February 2023). We also recommend an increase in the demand rate from \$10 to \$10.50 for all kW and the monthly Service Availability Charge increase from \$50 to \$60.

1 **Q. Please describe Dixie's proposed rates for Irrigation customers.**

2 A. We are proposing the current 0 to 134 kWh per kW rate for Irrigation service be  
3 increased to \$0.0896 (which is a \$0.0040 increase) and the rate for over 134 kWh per kW  
4 be increased to \$0.0561 (which is a \$0.0045 increase compared to the PPAM-adjusted  
5 rate in effect as of February 2023). We also recommend increasing the monthly Service  
6 Availability Charge from \$50 to \$60.

7

8 **Q. What rates are proposed for the Off-Peak customer class.**

9 A. We propose the per kWh rate for Off-Peak commercial service be set at \$0.0320 (which  
10 is a \$0.0005 decrease from the PPAM-adjusted rate in effect as of February 2023) and the  
11 monthly Service Availability Charge increase from \$50 to \$60. We also recommend that  
12 the per kW per month demand charge for On-Peak times decrease from \$30 to \$12.50,  
13 but the demand charge for the Off-Peak times remain \$5 per kW per month. Dixie does  
14 not currently have any Arizona members taking service under this tariff, but we would  
15 like to keep it in place because it offers an additional option for commercial customers to  
16 reduce peak load.

17

18 **Q. Are any rate changes proposed for the Street/Area Lighting class?**

19 A. Yes. We recommend that the monthly charge per light for street lights decrease from  
20 \$14 to \$12, but the state highway lighting charge remain at \$14.88 per light.

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1 **Q. Has Dixie calculated the monthly bill impacts of these various rate changes for its**  
2 **customers?**

3 A. Yes. Schedule H-4 shows the bill impacts compared to the current, PPAM-adjusted rate  
4 schedules.

5  
6 **Q. Mr. Laub, what is the impact on Dixie’s Residential customers in Arizona, which is**  
7 **the Cooperative’s largest Arizona customer class?**

8 A. You are correct that Residential is our largest class in the state, accounting for almost 90  
9 percent of our Arizona customers. The bill impact on the average Residential customer  
10 will be 8.57 percent over current, PPAM-adjusted rates.

11

12 **RATE DESIGN CHANGES ADDRESSING SUMMER PEAK**

13 **Q. Dixie’s rate case Application mentions summer peaking concerns raised by Dixie’s**  
14 **wholesale supplier, Deseret Power Electric Cooperative (“Deseret”). Can you**  
15 **elaborate?**

16 A. Yes. Dixie has no generating capacity of its own, but instead is a member of Deseret – a  
17 generation and transmission cooperative located in Utah – and receives all its power and  
18 energy from that cooperative. As a nonprofit cooperative, Deseret has been able to  
19 produce and transmit electricity at low, stable prices for its member distribution  
20 cooperatives. However, increased usage especially during the summer peak is placing a  
21 strain on resources, such that Deseret plans to implement additional charges associated  
22 with new or contracted resources necessary to meet peak demand. We anticipate the first  
23 notice of new peak season rates will be issued by Deseret in 2024.

24

1 **Q. Is Dixie proposing rate design changes to address the summer peak issue?**

2 A. Yes, we are proposing two changes. First, Dixie recommends adding two new optional  
3 rate schedules to incentivize Residential and Large Commercial customers to reduce  
4 usage during peak hours. Second, even though we are hopeful that our members will  
5 elect to take service under the time-of-day and time-of-use rate plans and curb their usage  
6 accordingly, the Cooperative also believes it is important to implement a second  
7 purchased power adjustor mechanism to recover any additional charges it is assessed by  
8 Deseret for summer peak usage.

9  
10 **Q. Please describe the new optional rate schedules.**

11 A. First, we have developed a Time-of-Day tariff under which Residential members will be  
12 charged the same Service Availability Charge and \$0.0660 per kWh rate as the standard  
13 tariff October through May. However, during the summer months of June through  
14 September, the per kWh base rate will increase to \$0.1000 for usage during the on-peak  
15 hours of 3:30 to 7:30 p.m., but will be reduced to \$0.0500 for usage during all other times  
16 of the day.

17  
18 Similarly, we developed a Time-of-Use tariff for Large Commercial members which  
19 includes the same demand rate and Service Availability Charge as the standard tariff as  
20 well as the same per kWh rate for off-peak usage – \$0.0320. However, on-peak usage  
21 (defined as 7:00 to 9:00 a.m. November through March and 3:30 to 7:30 p.m. April  
22 through October) will be subject to a higher rate of \$0.3000 for the first 20 kWh/kW.

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1 **Q. How did Dixie develop these optional rate schedules?**

2 A. We analyzed our peak hours and months based on composite meter readings to identify  
3 the times during which the Cooperative incurred higher wholesale power costs and  
4 incorporated those findings into the draft tariffs in order to send appropriate price signals.  
5

6 **Q. Please describe the Cooperative's proposal for an additional purchased power  
7 adjustor?**

8 A. As I indicated earlier, Deseret is implementing a plan to assess additional charges for  
9 demand during the summer peak. Accordingly, in order to further incentivize our  
10 members to reduce usage and to make sure that the additional charges from our wholesale  
11 supplier do not place the Cooperative in financial jeopardy, Dixie's Board has approved a  
12 second adjustor focused solely on the peak months of June through September (April  
13 through October for members on the Large Commercial Time-of-Use and Irrigation  
14 Pump tariffs). We propose to call the adjustor a "Wholesale Peak Season Cost  
15 Adjustment Mechanism" or "Wholesale PSCAM."  
16

17 **Q. How will the Wholesale PSCAM be implemented?**

18 A. Dixie will work with ACC Utilities Division Staff ("Staff") to develop an appropriate  
19 plan of administration. But the general idea is that Dixie will include the Wholesale  
20 PSCAM rates in the same annual filing it submits to update its PPAM each year, which  
21 rates go into effect in February.  
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1 **Q. Does the Cooperative plan to conduct any member outreach regarding the**  
2 **voluntary tariffs and Wholesale PSCAM?**

3 A. Yes. As a member-owned and governed cooperative, communication with our members  
4 is very important. Dixie has already informed its Arizona members of the potential for  
5 the rate increase and the reasons (including the summer peak issue). If the tariffs and  
6 additional adjustor are approved by the Commission, Dixie would continue its outreach  
7 using our website, written notices, and holding meetings with our Arizona members.

8  
9

**OTHER NEW RATE SCHEDULES**

10 **Q. Mr. Laub, is Dixie proposing to add other new rate schedules in addition to the**  
11 **Residential Time-of-Day and Large Commercial Time-of-Use tariffs?**

12 A. Yes. We are proposing to add three more tariffs: an additional Small Commercial tariff  
13 and new tariffs for Industrial and High Density members.

14  
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**Q. Please describe the additional Small Commercial tariff.**

16 A. This tariff mirrors a rate schedule we have had in place in Utah for a number of years. It  
17 applies to what we consider to be very small commercial users of 100 amps or less. The  
18 per kWh rate of \$0.0660 is slightly higher than the \$0.0570 in the standard Small  
19 Commercial tariff, but the Service Availability Charge is reduced by \$10 and there is no  
20 separate demand charge. The purpose of the tariff is to provide these members with the  
21 opportunity to select the rate structure that works best for their circumstances.

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1 **Q. Why is the Cooperative proposing to add new tariffs for Industrial and High**  
2 **Density service?**

3 A. These tariffs are for very high load members with minimum demand of 2500 kW. The  
4 Cooperative does not currently have any of these types of customers in Arizona. In Utah,  
5 these high-load customers typically negotiate contracts directly with Deseret; but in case  
6 they want to take service through Dixie, we developed these tariffs in order to pass along  
7 the fixed and market-based rates we will be charged by Deseret. Although we do not  
8 anticipate receiving service requests from high-load customers in Arizona, we need to  
9 have tariffs in place to similarly pass on the wholesale charges.

10

11 **PURCHASED POWER ADJUSTOR MECHANISM**

12 **Q. Please describe Dixie's existing PPAM.**

13 A. Dixie requested and received Commission approval of its PPAM in our 2012 rate case  
14 because we were experiencing significant variations in our purchase power expense. The  
15 Commission approved continuation of the PPAM in Dixie's last rate case, including a  
16 revision proposed by Staff to exclude expenses from Account 557 – Other Expenses.

17

18 The base cost of power is set using actual test year purchased power costs and kWh usage  
19 and any adjustments are implemented annually, in February. Under the PPAM Plan of  
20 Administration, if the difference between the base cost plus the adjustor rate, if any, and  
21 the actual total cost per kWh for the current period is less than \$0.0005 per kWh, Dixie  
22 does not reset the adjustor. However, if the difference is more than \$0.0005 per kWh, the  
23 PPAM adjustment is rounded up or down to the nearest increment of \$0.0005 per kWh.

24

1 For example, in 2019, because the difference between our base cost (\$0.040732) plus the  
2 adjustor in effect at that time (\$0.0015) and our actual cost per kWh (\$0.042250) was less  
3 than \$0.0005, the adjustor rate was not reset in 2020. On the other hand, as I stated  
4 earlier, a revised adjustor rate went into effect in February 2023 based on the difference  
5 between our base cost (\$0.040732) plus the adjustor in effect in 2022 (\$0.0005) and our  
6 actual cost per kWh in 2022 (\$0.045244). Because our actual 2022 purchase power costs  
7 exceeded the base plus adjustor, we rounded to the nearest increment of \$0.0005 and  
8 increased the adjustor from \$0.0005 to \$0.0045.

9  
10 **Q. Mr. Laub, is Dixie requesting the Commission approve continuance of the PPAM?**

11 A. Yes. The existing mechanism has been successful in allowing fluctuations in purchased  
12 power expenses (both increases and decreases) to flow through to our members on a  
13 timely basis without the expense associated with a rate case. Given that purchased power  
14 accounts for more than 60 percent of the Cooperative's total operating expenses, the  
15 continued authorization of the PPAM is critical. Our proposal is to continue to use the  
16 mechanism but to change the name to be more descriptive. As we have done in our Utah  
17 tariffs, we suggest calling the mechanism a "Wholesale Power Cost Adjustment  
18 Mechanism" or "WPCAM."

19  
20 **Q. What do you recommend regarding the purchased power base cost?**

21 A. Using actual 2021 test year purchased power costs and kWh usage, we propose the base  
22 cost of power be set at \$0.041073.

1 SERVICE REGULATIONS

2 **Q. Is Dixie proposing changes to its Arizona Service Regulations?**

3 A. Yes. In addition to non-substantive formatting changes and language clarifications  
4 (such as replacing the term “customer” with “member”), the Cooperative is proposing  
5 three primary revisions: (1) updating Dixie’s miscellaneous fees and charges as well as  
6 impact fee schedule; (2) creating a stand-alone regulation addressing service  
7 termination; and (3) adding a regulation to extend Dixie’s Utah prepaid service program  
8 to Arizona members.

9  
10 **Q. Please describe the changes to Dixie’s miscellaneous fees and charges.**

11 A. The first page of Dixie’s existing Service Regulations lists the rates and charges  
12 previously approved by the Commission for “other services.” These miscellaneous  
13 charges include connect fees, meter testing and reread fees, late payment charges,  
14 deposits, etc. Some of the changes are non-substantive clarifications, such as renaming  
15 the “Landlord Rollover Fee” to more accurately reflect that the charge is actually applied  
16 for account name changes where no service call is required, which primarily occur in the  
17 context of landlord rollovers or member divorces. Similarly, we added language  
18 confirming that the “Trip Charge” is only assessed in the context of in-person  
19 disconnections.

20  
21 The substantive changes are intended to bring the Arizona fees in line with the  
22 Cooperative’s Utah practices and reflect actual costs associated with the listed services.  
23 Specifically, we are proposing to modify the tampering charge to include both the  
24

1 estimated usage and the actual cost to repair or replace a damaged meter. Also, we  
2 added language to distinguish between the \$75 fee for after-hours connections that  
3 require an in-person technician versus the \$50 fee for connections that can be performed  
4 remotely.

5  
6 **Q. What is Dixie's proposal for its impact fees?**

7 A. We are recommending increases. In Dixie's last two rate cases, the Commission  
8 approved Dixie's proposed impact fee schedule – even though the fees were lower than  
9 projected costs – in order to maintain consistency with Dixie's then-current Utah fees.  
10 Since then, the costs associated with service connections and reconnections have  
11 escalated considerably, such that the Cooperative finds it necessary to increase its fees  
12 again for both its Arizona and Utah service territories.

13  
14 For residential and single phase small commercial connections/reconnections, Dixie is  
15 proposing to increase the fees for overhead systems from \$550 to \$825 (0 to 60 amps),  
16 from \$2,950 to \$4,425 (61 to 200 amps), and from \$1,950 to \$2,925 (each additional 200  
17 amps). For underground system connection for these customer classes, we recommend  
18 increasing the fees from \$700 to \$1,050 (0 to 60 amps), from \$3,950 to \$5,925 (61 to  
19 200 amps), and from \$2,950 to \$4,425 (each additional 200 amps). For all other  
20 customers, including Large Commercial and Industrial, Dixie is proposing an increase  
21 from \$82/kW of installed capacity to \$123/kVA.

1 **Q. The next revision you identified was the creation of a stand-alone regulation**  
2 **addressing service termination. Please elaborate.**

3 A. Dixie's current Service Regulation No. 8 includes some terms and conditions governing  
4 service disconnections and discontinuances. These provisions have been in place for a  
5 number of years and were last updated in the Cooperative's 2012 rate case. In 2019, the  
6 Commission adopted emergency revisions to its rules regarding service disconnections  
7 for electric utilities. In Decision No. 77364 (the "Waiver Decision"), the Commission  
8 granted Dixie's request for a waiver of the emergency rules and authorized the  
9 Cooperative to continue its current disconnection procedures as clarified by the Waiver  
10 Decision. Thereafter, the Commission adopted permanent revisions to its service  
11 termination rules, which became effective in 2022. One of the changes made by the  
12 Commission was the adoption of R14-2-214, which grandfathered termination  
13 procedures previously approved by the Commission for electric cooperatives. As a  
14 result, the terms and conditions in current Service Regulation No. 8 and the provisions  
15 approved in the Waiver Decision remain in effect. Dixie's new regulation – Service  
16 Regulation No. 12 – combines them into a single policy for clarification and  
17 transparency.

18  
19 **Q. Is the Cooperative proposing any changes to its disconnection procedures?**

20 A. Yes. We are proposing one change. In processing Dixie's waiver request in 2019, Staff  
21 recommended that Dixie incorporate in-person notification and door hangers as part of  
22 its pre-disconnect customer outreach. In Utah, Dixie's process is to attempt in-person  
23 notification only after attempted phone communications have failed. We have found the  
24

1 Utah process to be a more cost-effective and yet equally successful method of  
2 communicating with our members and alerting them to potential disconnections for non-  
3 payment. Accordingly, our proposed Service Regulation No. 12 would require the  
4 Cooperative to attempt in-person notification and leave a door hanger only in the event  
5 that the Cooperative is unable to reach the member by phone.  
6

7 **Q. Does Dixie have any other requests relating to the Commission's service**  
8 **termination rules?**

9 A. Yes. The Commission's rule revisions that went into effect in 2022 include two annual  
10 filings that Dixie is requesting be waived. Specifically, R14-2-211(A)(6)(f) requires the  
11 utility to file a report containing its policy for complying with the provisions of R14-2-  
12 211(A)(6) (addressing the process of termination of service for residential customers with  
13 an inability to pay), and R14-2-211(A)(17) requires the utility to file a report containing  
14 its payment plan policy for residential customers. Once the Commission approves  
15 Dixie's proposed Service Regulation No. 12, the Cooperative's annual filing(s) will  
16 simply reference back to the Commission-approved regulation. As a result, the annual  
17 filing requirement does not seem necessary, and Dixie therefore requests that the  
18 Commission grant a waiver.  
19

20 **Q. Can you please describe Dixie's other new service regulation regarding its prepaid**  
21 **service program?**

22 A. Yes. The Cooperative has had a prepaid service program in place in Utah since 2018.  
23 The program is available to Residential members on a voluntary basis and – among  
24

1 other features – eliminates the requirement of a deposit as well as fees for reconnection  
2 after a disconnection for non-payment. Members enrolled in the Arizona program  
3 would receive service under and be charged the rates set forth in the Arizona Residential  
4 Service tariff. The proposed regulation – Service Regulation No. 13 – mirrors the terms  
5 stated in the Prepaid Program Agreement that members are required to sign as part of  
6 program enrollment. In addition to our experience in Utah, we understand that some  
7 Arizona cooperatives have had success with their prepaid programs. Therefore, we are  
8 proposing the new regulation as a way to extend the opportunity to Dixie’s Arizona  
9 members.

10  
11 **QUARTERLY INTERCONNECTION REPORTS**

12 **Q. Mr. Laub, please provide the background to Dixie’s request regarding its quarterly**  
13 **interconnection reports.**

14 **A.** In 2020, the Commission implemented new rules addressing the interconnection of  
15 distributed generation facilities, R14-2-2601, *et. seq.* The rules included a number of  
16 technical and procedural requirements regarding interconnection, including a  
17 requirement to create an interconnection manual and make annual filings with the  
18 Commission. Because Dixie had already established a single process for  
19 interconnection for both its Utah and Arizona service territories and was following the  
20 procedures and regulations established in Utah, the Cooperative requested a waiver of  
21 the Commission’s new rules. In Decision No. 77653 (the “Interconnection Decision”),  
22 the Commission granted Dixie a partial waiver with two conditions: (1) in addition to  
23 the annual reporting requirements under R14-2-2626, Dixie is required to submit

1 quarterly reports to Staff identifying the number of Arizona interconnection requests  
2 received and the status of those requests; and (2) Dixie is required to notify Staff in the  
3 event the Cooperative deviates from the application processing timeframes established  
4 by the Arizona rules.

5  
6 **Q. Has Dixie submitted the quarterly reports pursuant to the Interconnection**  
7 **Decision?**

8 A. Yes. Since September 2020 through the filing of this rate case, Dixie has prepared and  
9 submitted 11 quarterly reports to Staff.

10  
11 **Q. Why is Dixie requesting that the Commission discontinue the quarterly reporting**  
12 **requirement?**

13 A. We do not believe the reports are necessary any longer. In addition to the 11 quarterly  
14 reports, Dixie prepared and filed annual reports in 2021, 2022, and 2023 as required by  
15 R14-2-2626. The information included in the quarterly and annual reports is largely  
16 duplicative – confirming that, since January 2020, Dixie has received and approved  
17 without incident a total of eight interconnection applications. Accordingly, while we  
18 understand the Commission’s initial concerns and desire to ensure that interconnection  
19 requests within Arizona are processed in a timely manner and without adverse effects on  
20 Arizona customers, we believe the quarterly reports submitted to date confirm that  
21 Dixie’s process is working. Additionally, going forward, we believe the same

1 confirmation can be supplied by the annual reports with less administrative burden and  
2 costs.

3  
4 **Q. Is Dixie’s request limited to the quarterly reports?**

5 A. Yes. Dixie is not requesting waiver of the annual reports required by R14-2-2626 or the  
6 second condition in the Interconnection Decision that it notify Staff in the event the  
7 Cooperative deviates from the application processing timeframes established by the  
8 Arizona rules.

9  
10 **CONCLUSION**

11 **Q. Mr. Laub, can you please summarize Dixie’s requests in this rate case?**

12 A. Yes. Dixie is requesting the following: an increase in its revenue requirement and  
13 approval of the revised rate schedules submitted herewith; continuation of the current  
14 PPAM (under the new name “Wholesale Power Cost Adjustment Mechanism”) and  
15 authorization of a new peak season adjustor mechanism (“Wholesale Peak Season Cost  
16 Adjustment Mechanism”); approval of the revised service regulations submitted  
17 herewith; waiver of the annual reporting requirements set forth in R14-2-211; and  
18 discontinuation of the quarterly reporting requirement set forth in Decision No. 77653.

19  
20 **Q. Does that conclude your direct testimony?**

21 A. Yes, it does.

22

23 9484141/10593-0005

24

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# **A Schedules**

**DIXIE ESCALANTE REA INC.  
COMPUTATION OF INCREASE IN  
GROSS REVENUE REQUIREMENTS**

**TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE A-1**

**ORIGINAL COST**

1. ADJUSTED RATE BASE	8,304,272 ( a )
2. ADJUSTED OPERATING MARGINS	(198,633) ( b )
3. CURRENT RATE OF RETURN	-2.39%
4. REQUIRED OPERATING MARGINS	173,727
5. REQUIRED RATE OF RETURN	2.09%
6. OPERATING INCOME DEFICIENCY	372,360
7. INCREASE IN GROSS REVENUE REQUIREMENTS	<b>372,360</b>

<u>CUSTOMER CLASSIFICATION</u>	<u>REVENUE AT PROPOSED RATES</u>	<u>% DOLLAR INCREASE</u>
<b>AZ</b>		
RESIDENTIAL	2,851,505	11.83%
SMALL COMMERCIAL	452,340	10.83%
LARGE COMMERCIAL	340,143	6.04%
IRRIGATION	108,756	10.69%
STREET/AREA LIGHTS	20,376	-14.18%
<b>TOTALS</b>	<b>3,773,121</b>	<b>10.95%</b>
	(c)	(c)

**SUPPORT SCHEDULES:**

- (a) B-1      (b) C-1
- (c) H-1

DIXIE ESCALANTE REA INC.

SUMMARY RESULTS OF OPERATIONS

SCHEDULE A-2  
Page 1 of 2

	UT & AZ PRIOR YEARS		UT & AZ TEST	AZ PROJECTED YEAR	
	ENDED 12/31/19	ENDED 12/31/20	YEAR ENDED	PRESENT	PROPOSED
	(a)	(a)	12/31/21 (a)	(b)	(b)
1. Gross Revenues	37,994,061	41,659,577	47,354,712	3,417,173	3,789,533
2. Revenue Deductions & Operating Exp.	34,420,271	38,419,023	44,639,851	3,615,806	3,615,806
3. Operating Margins	3,573,790	3,240,554	2,714,861	(198,633)	173,727
4. Interest Expense - Ltd	1,862,032	2,024,961	2,118,950	201,180	201,180
5. Other Margins & Deductions	2,158,394	2,340,368	4,585,810	333,494	333,494
6. Net Margins	3,870,153	3,555,961	5,181,721	(66,319)	306,041
7. Times Interest Earned (Tier)	3.08	2.76	3.45	0.67	2.52

**SUPPORTING SCHEDULES:**

(a) E-2 (b) F-1

DIXIE ESCALANTE REA INC.

SCHEDULE A-2  
Page 2 of 2

SUMMARY RESULTS OF OPERATIONS  
TEST YEAR ENDED DECEMBER 31, 2021 - UT & AZ

	UTAH & AZ PRIOR YEARS		UT & AZ TEST YEAR	ARIZONA RATES	
	ENDED 12/31/19	ENDED 12/31/20	ENDED 12/31/21	PRESENT	PROPOSED
	(a)	(a)	(a)	(b)	(b)
1. Gross Revenues	37,994,061	41,659,577	47,354,712	3,417,173	3,789,533
2. Revenue Deductions & Operating Exp.	34,420,271	38,419,023	44,639,851	3,615,806	3,615,806
3. Operating Margins	3,573,790	3,240,554	2,714,861	(198,633)	173,727
4. Interest Expense - Ltd	1,862,032	2,024,961	2,118,950	201,180	201,180
5. Operating Margins After Interest	1,711,759	1,215,593	595,911	(399,813)	(27,453)
6. Other Margins & Deductions	2,158,394	2,340,368	4,585,810	333,494	333,494
7. Net Margins	3,870,153	3,555,961	5,181,721	(66,319)	306,041
8. Principle Payments	3,300,739	2,386,878	3,300,739	286,714	286,714
9. Times Interest Earned (Tier)	3.08	2.76	3.45	0.67	2.52
10. Debt Service Coverage (DSC)	1.76	2.16	2.24	1.16	1.92

**SUPPORTING SCHEDULES:**

(a) E-2 (b) F-1

**DIXIE ESCALANTE REA INC.  
SUMMARY OF CAPITAL STRUCTURE  
TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

**SCHEDULE A-3  
PRO FORMA**

	PRIOR YEARS		TEST YEAR	YEAR
	12/31/2019 (a)	12/31/2020 (a)	12/31/2021 (a)	12/31/2022 (b)
Short-Term Debt	-	-	-	-
Long-Term Debt	41,520,955	50,616,534	54,241,603	54,241,603
Total Debt	41,520,955	50,616,534	54,241,603	54,241,603
Margins And Equity	36,128,574	38,337,475	44,245,513	44,245,513
Total Capital	77,649,529	88,954,009	98,487,116	98,487,116
Capitalization Ratios: (%)				
Short-Term Debt	0.00%	0.00%	0.00%	0.00%
Long-Term Debt	53.47%	56.90%	55.07%	55.07%
Total Debt	53.47%	56.90%	55.07%	55.07%
Margins And Equity	46.53%	43.10%	44.93%	44.93%
	100.00%	100.00%	100.00%	100.00%
Weighted Cost Of				
Short-Term Debt	0.00%	0.00%	0.00%	0.00%
Weighted Cost Of				
Long-Term Debt	4.48%	4.16%	3.91%	3.91%

**SUPPORTING SCHEDULES:**

(a) E-1

(b) D-1

**DIXIE ESCALANTE REA INC.  
SUMMARY OF CAPITAL STRUCTURE  
TEST YEAR ENDED DECEMBER 31, 2011 - AZ ONLY**

**SCHEDULE A-3  
PRO FORMA**

	PRIOR YEARS		TEST YEAR	YEAR
	12/31/2019 <u>(a)</u>	12/31/2020 <u>(a)</u>	12/31/2021 <u>(a)</u>	12/31/2022 <u>(b)</u>
Short-Term Debt	-	-	-	-
Long-Term Debt	3,640,239	4,355,053	4,711,625	4,711,625
Total Debt	3,640,239	4,355,053	4,711,625	4,711,625
Margins And Equity	3,167,477	3,298,561	3,843,328	3,843,328
Total Capital	6,807,716	7,653,614	8,554,953	8,554,953
Capitalization Ratios: (%)				
Short-Term Debt	0.00%	0.00%	0.00%	0.00%
Long-Term Debt	53.47%	56.90%	55.07%	55.07%
Total Debt	53.47%	56.90%	55.07%	55.07%
Margins And Equity	46.53%	43.10%	44.93%	44.93%
	100.00%	100.00%	100.00%	100.00%
Weighted Cost Of				
Short-Term Debt	0.00%	0.00%	0.00%	0.00%
Weighted Cost Of				
Long-Term Debt	4.48%	4.16%	3.91%	3.91%

Debt & Equity allocated bases on total utility plant

**SUPPORTING SCHEDULES:**

(a) E-1  
(b) D-1  
PLANT  
PLANT 10  
PLANT 09

**DIXIE ESCALANTE REA INC.  
CONSTRUCTION EXPENDITURES AND ELECTRIC PLANT IN SERVICE  
TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

**SCHEDULE A-4**

<u>YEAR</u>	<b>CONSTRUCTION EXPENDITURES</b>	<b>NET PLANT ADDITIONS ( a )</b>	<b>ELECTRIC PLANT IN SERVICE</b>
Year Ended 12/31/19		23,982,770	133,853,111
Year Ended 12/31/20		18,696,565	152,549,676
Year Ended 12/31/21		17,258,903	169,808,579
Year Ended 12/31/22	17,635,703		187,444,282
Year Ended 12/31/23	25,328,500		212,772,782
Year Ended 12/31/24	7,000,000		219,772,782
Year Ended 12/31/25	5,000,000		224,772,782
Year Ended 12/31/26	5,000,000		229,772,782

**SUPPORT SCHEDULES:**

F-3

PLANT

PLANT 20

PLANT 19

**DIXIE ESCALANTE REA INC.  
CONSTRUCTION EXPENDITURES AND GROSS UTILITY PLANT IN SERVICE  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE A-4**

<b><u>YEAR</u></b>	<b>CONSTRUCTION EXPENDITURES</b>	<b>NET PLANT ADDITIONS</b>	<b>GROSS UTILITY PLANT IN SERVICE</b>
Year Ended 12/31/19		2,338,320	13,050,037
Year Ended 12/31/20		1,124,952	14,174,990
Year Ended 12/31/21		914,906	15,089,896
Year Ended 12/31/22	1,655,241		16,745,137
Year Ended 12/31/23	2,273,795		19,018,931
Year Ended 12/31/24	645,200		19,664,131
Year Ended 12/31/25	455,400		20,119,531
Year Ended 12/31/26	455,400		20,574,931

**SUPPORT SCHEDULES / DOCUMENTS:**

F-3

A-4

PLANT

PLANT 14

PLANT 13

DIXIE ESCALANTE REA INC.  
SUMMARY CHANGES IN FINANCIAL POSITION  
TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ

SCHEDULE A-5

	PRIOR YEARS		TEST YEAR	TEST YEAR	PROJECTED
	12/31/2019	12/31/2020	12/31/2021	AS ADJ. PRESENT	PROPOSED
	(a)	(a)	(a)	RATES	RATES
	(a)	(a)	(a)	(b)	(b)
<b>CASH FLOWS</b>					
<b>FROM OPERATING ACTIVITIES:</b>					
NET MARGINS	3,870,154	3,555,961	5,181,721	5,181,721	9,723,446
ADJUSTMENTS	-	-	-	-	-
DEPRECIATION & AMORTIZATION	3,333,048	3,936,156	4,866,326	4,866,326	4,866,326
GAIN ON DISPOSAL OF FIXED ASSETS	53,220	205,995	34,046	34,046	34,046
ACCRETION OF DEFERRED REVENUE	(1,947,699)	(2,174,367)	(2,468,488)	(2,468,488)	(2,468,488)
ACCRETION OF DERERED GAIN ON DEBT RESTRUCTURING	-	-	-	-	-
CHANGES IN ASSETS AND LIABILITIES:	-	-	-	-	-
(INCREASE)/DECREASE IN CFC INVESTMENT	(443,975)	(486,603)	(457,916)	(457,916)	(457,916)
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	(1,005,284)	572,247	839,460	839,460	839,460
(INCREASE)/DECREASE IN MATERIALS & SUPPLIES	82,666	94,623	(613,897)	(613,897)	(613,897)
(INCREASE)/DECREASE IN OTHER ASSETS	328,788	221,072	356,297	356,297	356,297
(INCREASE)/DECREASE IN NOTES RECEIVABLE	114,321	128,218	(199,782)	(199,782)	(199,782)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE	3,174,375	(1,917,485)	(531,007)	(531,007)	(531,007)
INCREASE/(DECREASE) IN CUSTOMER DEPOSITS	16,081	331,564	31,257	31,257	31,257
INCREASE/(DECREASE) IN ACCRUED EXPENSES	248,305	(221,540)	(5,589)	(5,589)	(5,589)
INCREASE/(DECREASE) IN ACCRUED PERSONAL LEAVE	150,501	124,350	8,962	8,962	8,962
INCREASE/(DECREASE) IN UNCLAIMED CAPITAL CREDITS	24,661	39,169	352,728	352,728	352,728
<b>TOTAL FROM OPERATIONS</b>	<b>7,999,162</b>	<b>4,409,360</b>	<b>7,394,118</b>	<b>7,394,118</b>	<b>11,935,843</b>
<b>FROM INVESTING ACTIVITIES:</b>					
CONSTRUCTION OF UTILITY PLANT	(22,992,172)	(24,075,716)	(30,777,929)	(30,777,929)	(30,777,929)
PURCHASE OF NON UTILITY PLANT PROPERTY	-	-	-	-	-
PROCEEDS FROM THE SALE OF FIXED ASSETS	30,008	10,000	-	-	-
INVESTMENTS IN JOINT PROJECTS	65,062	307,614	-	-	-
<b>TOTAL FROM FINANCING</b>	<b>(22,897,102)</b>	<b>(23,758,102)</b>	<b>(30,777,929)</b>	<b>(30,777,929)</b>	<b>(30,777,929)</b>
<b>FROM FINANCING:</b>					
FLOWELL CONSOLIDATION	-	-	1,260,118	1,260,118	1,260,118
PROCEEDS FROM NEW BORROWINGS	1,107,158	11,571,400	6,250,000	6,250,000	6,250,000
REPAYMENTS OF LONG-TERM DEBT	(1,322,633)	(2,497,253)	(5,996,771)	(5,996,771)	(5,996,771)
CUSTOMER ADVANCES OF IMPACT FEES	6,226,202	7,013,676	8,888,841	8,888,841	8,888,841
CUSTOMER ADVANCES FOR CONSTRUCTION	8,195,193	7,364,343	13,241,581	13,241,581	13,241,581
REFUND OF CUSTOMER ADVANCES	(588,283)	(514,990)	(478,123)	(478,123)	(478,123)
REFUND OF CAPITAL CREDITS	(1,162,702)	(1,347,061)	(1,731,272)	(1,731,272)	(1,731,272)
<b>TOTAL FROM FINANCING</b>	<b>12,454,935</b>	<b>21,590,115</b>	<b>21,434,374</b>	<b>21,434,374</b>	<b>21,434,374</b>
<b>INCREASE (DECREASE) IN CASH EQUIVALENTS</b>	<b>(2,443,005)</b>	<b>2,241,373</b>	<b>(1,949,437)</b>	<b>(1,949,437)</b>	<b>2,592,288</b>
<b>BALANCE AT BEGINNING OF YEAR</b>	<b>3,546,885</b>	<b>1,103,879</b>	<b>3,345,253</b>	<b>3,345,253</b>	<b>3,345,253</b>
<b>BALANCE AT END OF YEAR</b>	<b>1,103,880</b>	<b>3,345,252</b>	<b>1,395,816</b>	<b>1,395,816</b>	<b>5,937,541</b>

**SUPPORT SCHEDULES:**

- (a) E-3
- (b) F-2

# **B Schedules**

**DIXIE ESCALANTE REA INC.  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY  
SUMMARY OF ORIGINAL COST**

**SCHEDULE B-1**

1. GROSS UTILITY PLANT IN SERVICE
2. LESS: ACCUMULATED DEPRECIATION
3. NET UTILITY PLANT IN SERVICE
4. ALLOWANCE FOR WORKING CAPITAL
5. LESS: CUSTOMER DEPOSITS
6. LESS IMPACT FEES
7. TOTAL RATE BASE

**ORIGINAL COST  
RATE BASE**

15,089,896	
(3,715,588)	
11,374,308	( a )
484,749	( b )
34,963	
3,519,822	
8,304,272	( c )

**SUPPORTING SCHEDULES:**

( a ) B-2      ( b ) B-5

**RECAP SCHEDULES:**

( c ) A-1

DIXIE ESCALANTE REA INC.  
ORIGINAL COST RATE BASE  
PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE B-2

	ACTUAL AT END OF TEST YEAR 12/31/21	PRO FORMA ADJUSTMENTS	ADJUSTED TEST YEAR
<b><u>TRANSMISSION:</u></b>			
GROSS PLANT	4,096,864	-	4,096,864
ACCUMULATED DEPRECIATION	697,837	-	697,837
NET PLANT	3,399,028	-	3,399,028
<b><u>DISTRIBUTION:</u></b>			
GROSS PLANT	7,434,471	-	7,434,471
ACCUMULATED DEPRECIATION	1,641,893	-	1,641,893
NET PLANT	5,792,579	-	5,792,579
<b><u>GENERAL &amp; INTANGIBLE</u></b>			
GROSS PLANT	3,558,560	-	3,558,560
ACCUMULATED DEPRECIATION	1,375,858	-	1,375,858
NET PLANT	2,182,702	-	2,182,702
<b><u>TOTAL</u></b>			
GROSS PLANT	15,089,896	-	15,089,896
ACCUMULATED DEPRECIATION	3,715,588	-	3,715,588
NET PLANT	11,374,308	-	11,374,308

**RECAP SCHEDULES:**

(b) B-1

DIXIE ESCALANTE REA INC.  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE B-3

Not Applicable

DIXIE ESCALANTE REA INC.  
RCND RATE BASE PRO FORMA ADJUSTMENTS  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE B-4

Not Applicable

**DIXIE ESCALANTE REA INC.  
COMPUTATION OF WORKING CAPITAL  
TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

**SCHEDULE B-5**

1. CASH WORKING CAPITAL*	2,750,941
2. MATERIALS AND SUPPLIES INVENTORIES	5,088,405
3. PREPAYMENTS	17,265
4. INTANGIBLE RATE BASE	-
5. TOTAL WORKING CAPITAL ALLOWANCE	7,856,611

**RECAP SCHEDULES:**

**(b) B-1**

**DIXIE ESCALANTE REA INC.**  
**COMPUTATION OF WORKING CAPITAL**  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

**SCHEDULE B-5 AZ**

1. CASH WORKING CAPITAL	-
2. MATERIALS AND SUPPLIES INVENTORIES	483,110
3. PREPAYMENTS	1,639
4. INTANGIBLE RATE BASE	-
5. TOTAL WORKING CAPITAL ALLOWANCE	484,749

**SUPPORT SCHEDULES / DOCUMENTS:**

B-5  
PLANT

**RECAP SCHEDULES:**

( b ) B-1

# **C Schedules**

**DIXIE ESCALANTE REA INC.**  
**ADJUSTED TEST YEAR INCOME STATEMENT**  
**TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE C-1**

	<b>TEST YEAR 12/31/2021 (a)</b>	<b>PRO FORMA ADJUSTED DJUSTMENT TEST YEAR (b)</b>	
<b>REVENUES</b>			
SALES OF ELECTRIC ENERGY	3,400,761	-	3,400,761
OTHER ELECTRIC REVENUE	16,412	-	16,412
	<b>3,417,173</b>	<b>-</b>	<b>3,417,173</b>
<b>EXPENSES</b>			
PURCHASED POWER	1,927,503	-	1,927,503
TRANSMISSION EXPENSE - O&M	9,432	-	9,432
DISTRIBUTION EXPENSE - OPERATIONS	278,736	-	278,736
DISTRIBUTION EXPENSE - MAINTENANCE	235,105	-	235,105
CONSUMER ACCOUNTS EXPENSE	199,216	-	199,216
ADMINISTRATIVE & GENERAL	452,559	-	452,559
DEPRECIATION & AMORTIZATION	429,228	-	429,228
TAX EXPENSE - PROPERTY	80,270	-	80,270
TAX EXPENSE - OTHER	-	-	-
	-	-	-
INTEREST EXPENSE - OTHER	3,758	-	3,758
	<b>3,615,806</b>	<b>-</b>	<b>3,615,806</b>
OPERATING MARGINS	<b>(198,633)</b>	<b>-</b>	<b>(198,633)</b>
INTEREST EXPENSE - LTD	201,180	-	201,180
<b>NON-OPERATING MARGINS</b>			
INTEREST INCOME	3,129	-	3,129
OTHER NON-OPERATING INCOME	275,698	-	275,698
CAPITAL CREDITS	54,667	-	54,667
OTHER DEDUCTIONS	33,105	-	33,105
	<b>333,494</b>	<b>-</b>	<b>333,494</b>
<b>NET MARGINS</b>	<b>(66,319)</b>	<b>-</b>	<b>(66,319)</b>

**SUPPORT SCHEDULES:**

(a) E-2  
(b) C-2

**RECAP SCHEDULES:**

A-1

DIXIE ESCALANTE REA INC.  
GROSS REVENUE CONVERSION FACTOR  
TEST YEAR ENDED DECEMBER 31, 2021

SCHEDULE C-2

Not Applicable

DIXIE ESCALANTE REA INC.  
GROSS REVENUE CONVERSION FACTOR  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE C-3

NOT APPLICABLE

# **D Schedules**

**DIXIE ESCALANTE REA INC.  
SUMMARY COST OF CAPITAL  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE D-1**

<b>INVESTED CAPITAL</b>	<b>END OF ACTUAL TEST YEAR</b>			<b>12/31/2021</b>
	<b>AMOUNT</b>	<b>%</b>	<b>COST RATE</b>	<b>COMPOSITE</b>
LONG-TERM DEBT	4,711,625	100.00%	3.91%	3.91%
SHORT-TERM DEBT	-	0.00%	0.00%	0.00%
TOTAL	4,711,625	100.00%	3.91%	3.91%

**SUPPORT SCHEDULES:**

D-2

D-2 AZ

DIXIE ESCALANTE REA INC.  
 COST OF LONG-TERM AND SHORT-TERM DEBT  
 TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ

SCHEDULE D-2

	END OF YEAR		12/31/2021		2021 Principle Pd	2020 Outstanding	2020 Principle Pd	2019 Outstanding	
	OUTSTANDING ( a )	WEIGHTED INTEREST RATE	ANNUAL INTEREST	OUTSTANDII FACE ( a ) RATE					
LONG-TERM:									
NRUCFC 9008001	671,584	5.93%	39,817	671,584	6.25%	\$30,828.97	702,413	28,975	731,388
NRUCFC 9008002	0	0.00%	787	-	3.10%	\$57,119.31	57,119	55,381	112,501
NRUCFC 9008003	151,739	4.18%	6,336	151,739	3.20%	\$146,975.58	298,714	142,365	441,079
NRUCFC 9008004	314,135	5.00%	15,710	314,135	4.45%	\$146,941.38	461,076	140,580	601,657
NRUCFC 9008006	430,627	7.32%	31,504	430,627	7.25%	\$61,602.38	492,230	57,331	549,561
NRUCFC 9008007	430,627	7.32%	31,504	430,627	7.25%	\$61,602.38	492,230	57,331	549,561
NRUCFC 9008008	234,028	4.71%	11,012	234,028	4.90%	\$26,270.24	260,298	25,021	285,320
NRUCFC 9010002	1,195,410	3.23%	38,630	1,195,410	3.56%	\$97,860.87	1,293,271	93,665	1,386,936
NRUCFC 9010005	810,042	4.08%	33,011	810,042	3.56%	\$173,093.58	983,136	166,917	1,150,053
NRUCFC 9010006	1,782,984	3.88%	69,221	1,782,984	4.30%	\$41,675.32	1,824,659	39,930	1,864,590
NRUCFC 9010007	12,728,368	4.13%	525,738	12,728,368	4.55%	\$268,241.03	12,996,609	256,375	13,252,984
NRUCFC 9011001	7,479,505	4.13%	308,712	7,479,505	4.55%	\$147,543.17	7,627,048	141,017	7,768,064
NRUCFC 9011003	11,453,541	4.83%	552,888	11,453,541	5.25%	\$191,732.12	11,645,273	181,988	11,827,261
NRUCFC 9013001	9,727,800	3.55%	345,294	9,727,800	3.98%	\$183,257.32	9,911,057	-	-
NRUCFC 9014001	175,802	4.74%	8,326	175,802	5.05%	\$7,848.32	-	-	-
NRUCFC 9014002	717,278	4.74%	33,972	717,278	5.10%	\$30,400.64	-	-	-
NRUCFC 9014013	255,337	4.74%	12,093	255,337	5.10%	\$10,329.67	-	-	-
NRUCFC 9015001	1,932,796	2.23%	43,140	1,932,796	2.45%	\$46,016.47	-	-	-
CoBank 207081	3,750,000	0.30%	11,254	3,750,000	2.41%	\$0.00	0.00	1,000,000	1,000,000.00
Zions PPP Federal Loan (Forgiven)	0	0.00%	0	-		\$1,571,400.00 **	1,571,400.00	-	0.00
TOTAL LONG-TERM DEBT	54,241,603	3.91%	2,118,950	54,241,603		\$3,300,738.75	50,616,534	2,386,878	41,520,955
SHORT-TERM:									
COST RATE	0	0	0	0	0		2020 Interest		2019 Interest
SUPPORTING SCHEDULES:							\$2,107,636.00		\$1,862,032.00
( b ) E-1							Weighted Int Rate		Weighted Int Ra
							4.16%		4.48%

\*\*Forgiven - not paid

DIXIE ESCALANTE REA INC.  
 COST OF LONG-TERM AND SHORT-TERM DEBT  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE D-2

	END OF YEAR	12/31/2021				2021 Principle Pd
	OUTSTANDING ( a )	WEIGHTED INTEREST RATE	ANNUAL INTEREST	OUTSTANDING ( a )	FACE RATE	
LONG-TERM:						
NRUCFC 9008001	58,336	5.93%	3,459	58,336	6.25%	2,678
NRUCFC 9008002	0	0.00%	68	-	3.10%	4,962
NRUCFC 9008003	13,181	4.18%	550	13,181	3.20%	12,767
NRUCFC 9008004	27,287	5.00%	1,365	27,287	4.45%	12,764
NRUCFC 9008006	37,406	7.32%	2,737	37,406	7.25%	5,351
NRUCFC 9008007	37,406	7.32%	2,737	37,406	7.25%	5,351
NRUCFC 9008008	20,329	4.71%	957	20,329	4.90%	2,282
NRUCFC 9010002	103,838	3.23%	3,356	103,838	3.56%	8,501
NRUCFC 9010005	70,363	4.08%	2,867	70,363	3.56%	15,036
NRUCFC 9010006	154,877	3.88%	6,013	154,877	4.30%	3,620
NRUCFC 9010007	1,105,633	4.13%	45,668	1,105,633	4.55%	23,300
NRUCFC 9011001	649,697	4.13%	26,816	649,697	4.55%	12,816
NRUCFC 9011003	994,897	4.83%	48,026	994,897	5.25%	16,655
NRUCFC 9013001	844,993	3.55%	29,993	844,993	3.98%	15,918
NRUCFC 9014001	15,271	4.74%	723	15,271	5.05%	682
NRUCFC 9014002	62,305	4.74%	2,951	62,305	5.10%	2,641
NRUCFC 9014013	22,180	4.74%	1,050	22,180	5.10%	897
NRUCFC 9015001	167,890	2.23%	3,747	167,890	2.45%	3,997
CoBank 207081	325,739	0.30%	978	325,739	2.41%	-
Zions PPP Federal Loan (Forgiven)	0	0.00%	0	-		136,498
TOTAL LONG-TERM DEBT	4,711,625	3.91%	184,060	4,711,625		286,714
SHORT-TERM:						
COST RATE	0		0	0		0
SUPPORTING SCHEDULES:						
( b ) E-1						

DIXIE ESCALANTE REA INC.  
COST OF PERFERRED STOCK  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE D-3

NOT APPLICABLE

DIXIE ESCALANTE REA INC.  
COST OF COMMON STOCK  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE D-4

NOT APPLICABLE

# **E Schedules**

DIXIE ESCALANTE REA INC.  
 COMPARATIVE BALANCE SHEET  
 TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ

SCHEDULE E-1

	<b>TEST YEAR ENDED 12/31/21</b>	<b>PRIOR YEARS</b>	
		<b>ENDED 12/31/20</b>	<b>ENDED 12/31/19</b>
<b>ASSETS:</b>			
UTILITY PLANT IN SERVICE	169,808,579	152,549,676	133,853,111
CONSTRUCTION WORK IN PROGRESS	26,517,331	15,848,470	19,383,225
<b>TOTAL UTILITY PLANT</b>	<b>196,325,910</b>	<b>168,398,145</b>	<b>153,236,336</b>
ACCUMULATED DEPRECIATION	41,536,804	38,158,125	34,151,795
<b>NET UTILITY PLANT</b>	<b>154,789,106</b>	<b>130,240,020</b>	<b>119,084,541</b>
<b>OTHER PROPERTY &amp; INVESTMENTS</b>	<b>3,889,100</b>	<b>3,281,166</b>	<b>3,309,323</b>
<b>CURRENT ASSETS:</b>			
CASH IN BANK/INVESTMENTS	1,395,816	3,345,253	1,103,879
INVESTMENTS ASSOC. ORG.	-	-	-
NOTES RECEIVABLE	904,720	704,938	833,156
ACCOUNTS RECEIVABLE	2,793,938	2,612,513	2,429,150
ACCOUNTS RECEIVABLE - Other	1,684,249	2,318,330	3,073,940
INTEREST & RENT RECEIVABLE	-	-	-
MATERIALS AND SUPPLIES	5,088,405	4,474,508	4,569,131
PREPAYMENTS	17,265	39,211	65,089
OTHER CURRENT & ACCRUED ASSETS	35,917	46,552	55,143
	<b>11,920,311</b>	<b>13,541,305</b>	<b>12,129,487</b>
OTHER ASSETS - DEFERRED DEBITS	1,061,705	1,246,285	1,474,817
	<b>171,660,221</b>	<b>148,308,776</b>	<b>135,998,168</b>
<b>LIABILITIES AND EQUITY:</b>			
MEMBERSHIPS	9,450	8,595	8,595
PATRONAGE CAPITAL	34,123,007	27,725,876	24,974,847
OPERATING MARGINS - PRIOR YEARS	-	-	-
OPERATING MARGINS - CURRENT YEAR	250,836	740,784	1,282,913
NON OPERATING MARGINS	9,071,748	9,071,748	9,071,748
OTHER EQUITIES	790,472	790,472	790,472
<b>TOTAL EQUITY</b>	<b>44,245,513</b>	<b>38,337,475</b>	<b>36,128,574</b>
LONG-TERM DEBT	54,241,603	50,616,534	41,520,955
<b>CURRENT LIABILITIES:</b>			
ACCOUNTS PAYABLE - PURCHASED POWER	6,388,292	5,800,548	7,718,035
CONSUMER DEPOSITS	806,045	740,100	408,536
OTHER CURRENT AND ACCRUED LIABILITIES	2,097,265	2,039,873	2,137,062
	<b>9,291,602</b>	<b>8,580,521</b>	<b>10,263,633</b>
<b>OTHER LIABILITIES:</b>			
DEFERRED CREDITS	63,818,995	50,690,306	47,979,634
	<b>63,818,995</b>	<b>50,690,306</b>	<b>47,979,634</b>
	<b>171,597,712</b>	<b>148,224,836</b>	<b>135,892,796</b>

**DIXIE ESCALANTE REA INC.**  
**COMPARATIVE INCOME STATEMENT**  
**TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

**SCHEDULE E-2**

	<b>TEST YEAR</b>	<b>PRIOR YEARS</b>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>REVENUES:</b>			
SALES OF ELECTRIC ENERGY	47,051,547	41,420,738	37,755,802
OTHER ELECTRIC REVENUE	303,165	238,839	238,259
	<b>47,354,712</b>	<b>41,659,577</b>	<b>37,994,061 ( a )</b>
<b>EXPENSES:</b>			
PURCHASED POWER	26,373,657	24,531,973	21,509,385
TRANSMISSION EXPENSE	124,384	101,042	154,229
DISTRIBUTION EXP. - OPER.	2,539,104	1,934,110	1,863,548
DISTRIBUTION EXP. - MAINT.	2,514,268	1,791,601	1,570,679
CONSUMER ACCOUNTS EXP.	2,353,185	1,944,330	1,992,636
ADMIN. & GENERAL	4,746,813	3,048,657	2,949,300
DEPRECIATION & AMORT.	4,866,326	3,936,156	3,333,048
TAXES - PROPERTY	1,085,566	1,109,826	1,027,078
TAXES - OTHER	-	-	-
INTEREST EXPENSE - OTHER	36,548	21,329	20,368
	<b>44,639,851</b>	<b>38,419,023</b>	<b>34,420,271 ( a )</b>
OPERATING MARGINS	<b>2,714,861</b>	<b>3,240,554</b>	<b>3,573,790 ( a )</b>
INTEREST EXPENSE - LTD	2,118,950	2,024,961	1,862,032 ( a )
<b>NON-OPERATING MARGINS:</b>			
INTEREST INCOME	46,261	54,284	60,479
OTHER NON-OPERATING INCOME	4,076,518	1,962,094	1,871,646
CAPITAL CREDITS	808,106	798,800	655,116
OTHER DEDUCTIONS	345,075	474,809	428,846
	<b>4,585,810</b>	<b>2,340,368</b>	<b>2,158,394 ( a )</b>
<b>NET MARGINS</b>	<b>5,181,721</b>	<b>3,555,961</b>	<b>3,870,153 ( a )</b>
	<b>5,777,632</b>	<b>4,771,555</b>	<b>5,581,911</b>

**SUPPORT SCHEDULES / DOCUMENTS:**

CONS  
CONS 14  
CONS 13  
EXPENSES  
EXPENSES 14  
EXPENSES 13

**RECAP SCHEDULES:**

( a ) A-2

**DIXIE ESCALANTE REA INC.  
COMPARATIVE INCOME STATEMENT  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE E-2 AZ**

	<b>TEST YEAR</b>	<b>PRIOR YEARS</b>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>REVENUES:</b>			
SALES OF ELECTRIC ENERGY	3,400,761	3,226,544	2,991,822
OTHER ELECTRIC REVENUE	16,412	14,187	14,617
	<b>3,417,173</b>	<b>3,240,731</b>	<b>3,006,439 ( a )</b>
<b>EXPENSES:</b>			
PURCHASED POWER	1,927,503	1,783,637	1,592,334
TRANSMISSION EXPENSE	9,432	7,802	12,978
DISTRIBUTION EXP. - OPER.	278,736	241,324	231,422
DISTRIBUTION EXP. - MAINT.	235,105	194,901	163,552
CONSUMER ACCOUNTS EXP.	199,216	176,618	181,586
ADMIN. & GENERAL	452,559	316,978	303,361
DEPRECIATION & AMORT.	429,228	358,944	321,022
TAXES - PROPERTY	80,270	145,288	148,374
TAXES - OTHER	-	-	-
INTEREST EXPENSE - OTHER	3,758	2,306	2,256
	<b>3,615,806</b>	<b>3,227,799</b>	<b>2,956,885 ( a )</b>
OPERATING MARGINS	<b>(198,633)</b>	<b>12,932</b>	<b>49,554 ( a )</b>
INTEREST EXPENSE - LTD	201,180	51,063	204,227 ( a )
<b>NON-OPERATING MARGINS:</b>			
INTEREST INCOME	3,129	3,947	4,477
OTHER NON-OPERATING INCOME	275,698	142,934	138,592
CAPITAL CREDITS	54,667	58,078	48,498
OTHER DEDUCTIONS	33,105	51,063	45,300
	<b>300,389</b>	<b>153,896</b>	<b>146,268 ( a )</b>
<b>NET MARGINS</b>	<b>(99,424)</b>	<b>115,764</b>	<b>(8,406) ( a )</b>
	<b>(499,238)</b>	<b>77,633</b>	<b>(163,079)</b>

**SUPPORT SCHEDULES / DOCUMENTS:**

CONS  
CONS 14  
CONS 13  
EXPENSES  
EXPENSES 14  
EXPENSES 13

**RECAP SCHEDULES:**

( a ) A-2

DIXIE ESCALANTE REA INC.  
**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

SCHEDULE E-3

	<u>TEST YEAR ENDED 12/31/21</u>	<u>PRIOR YEAR ENDED 12/31/20</u>	<u>PRIOR YEAR ENDED 12/31/19</u>
<b>CASH FLOWS</b>			
<b><u>FROM OPERATING ACTIVITIES:</u></b>			
NET MARGINS	5,181,721	3,555,961	3,870,154
ADJUSTMENTS			
DEPRECIATION & AMORTIZATION	4,866,326	3,936,156	3,333,048
GAIN ON DISPOSAL OF FIXED ASSETS	34,046	205,995	53,220
ACCRETION OF DEFERRED REVENUE	(2,468,488)	(2,174,367)	(1,947,699)
ACCRETION OF DERERED GAIN ON DEBT RESTRUCTURING	-	-	-
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)/DECREASE IN CFC INVESTMENT	(457,916)	(486,603)	(443,975)
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	839,460	572,247	(1,005,284)
(INCREASE)/DECREASE IN MATERIALS & SUPPLIES	(613,897)	94,623	82,666
(INCREASE)/DECREASE IN OTHER ASSETS	356,297	221,072	328,788
(INCREASE)/DECREASE IN NOTES RECEIVABLE	(199,782)	128,218	114,321
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE	(531,007)	(1,917,485)	3,174,375
INCREASE/(DECREASE) IN CUSTOMER DEPOSITS	31,257	331,564	16,081
INCREASE/(DECREASE) IN ACCRUED EXPENSES	(5,589)	(221,540)	248,305
INCREASE/(DECREASE) IN ACCRUED PERSONAL LEAVE	8,962	124,350	150,501
INCREASE/(DECREASE) IN UNCLAIMED CAPITAL CREDITS	352,728	39,169	24,661
<b>TOTAL FROM OPERATIONS</b>	<b>7,394,118</b>	<b>4,409,360</b>	<b>7,999,162</b>
<b><u>FROM INVESTING ACTIVITIES:</u></b>			
CONSTRUCTION OF UTILITY PLANT	(30,777,929)	(24,075,716)	(22,992,172)
PURCHASE OF NON UTILITY PLANT PROPERTY	-	-	-
PROCEEDS FROM THE SALE OF FIXED ASSETS	-	10,000	30,008
PROCEEDS FROM THE SALE OF NON UTILITY PLANT PROPERTY	-	307,614	65,062
<b>TOTAL FROM FINANCING</b>	<b>(30,777,929)</b>	<b>(23,758,102)</b>	<b>(22,897,102)</b>
<b><u>FROM FINANCING:</u></b>			
FLOWELL CONSOLIDATION	1,260,118	-	
PROCEEDS FROM NEW BORROWINGS	6,250,000	11,571,400	1,107,158
REPAYMENTS OF LONG-TERM DEBT	(5,996,771)	(2,497,253)	(1,322,633)
CUSTOMER ADVANCES OF IMPACT FEES	8,888,841	7,013,676	6,226,202
CUSTOMER ADVANCES FOR CONSTRUCTION	13,241,581	7,364,343	8,195,193
REFUND OF CUSTOMER ADVANCES	(478,123)	(514,990)	(588,283)
REFUND OF CAPITAL CREDITS	(1,731,272)	(1,347,061)	(1,162,702)
<b>TOTAL FROM FINANCING</b>	<b>21,434,374</b>	<b>21,590,115</b>	<b>12,454,935</b>
<b>INCREASE (DECREASE) IN CASH EQUIVALENTS</b>	<b>(1,949,437)</b>	<b>2,241,373</b>	<b>(2,443,005)</b>
<b>BALANCE AT BEGINNING OF YEAR</b>	<b>3,345,253</b>	<b>1,103,879</b>	<b>3,546,885</b>
<b>BALANCE AT END OF YEAR</b>	<b>1,395,816</b>	<b>3,345,252</b>	<b>1,103,880</b>

RECAP SCHEDULES:

A-5

**DIXIE ESCALANTE REA INC.**  
**STATEMENT OF CHANGE IN MEMBERS EQUITY**                      **SCHEDULE E-4**  
**TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ**

	<b><u>TOTAL MARGINS AND EQUITIES</u></b>
BALANCE DECEMBER 31, 2017	<b>28,219,629</b>
NET EARNINGS (LOSS)	6,271,541
CHANGE IN PATRONAGE CAPITAL	(1,070,047)
BALANCE DECEMBER 31, 2018	<b>33,421,123</b>
NET EARNINGS (LOSS)	3,870,153
CHANGE IN PATRONAGE CAPITAL	(1,162,702)
BALANCE DECEMBER 31, 2019	<b>36,128,574</b>
NET EARNINGS (LOSS)	3,555,962
CHANGE IN PATRONAGE CAPITAL	(1,347,061)
BALANCE DECEMBER 31, 2020	<b>38,337,475</b>
NET EARNINGS (LOSS)	5,181,721.0
CHANGE IN PATRONAGE CAPITAL	726,317.0
BALANCE DECEMBER 31, 2021	<b>44,245,513</b>

SUPPORT SCHEDULES:

- ( a ) E-1
- ( b ) E-2

RECAP SCHEDULES:

DIXIE ESCALANTE REA INC.  
 DETAIL OF UTILITY PLANT  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE E-5  
 Page 1 of 1

	G/L BALANCE PRIOR YEAR		END OF TEST YEAR	
	<u>12/31/2020</u>	<u>NET ADDITIONS</u>	<u>12/31/2021</u>	
<b>Transmission Plant</b>				
350 Land & Land Rights	\$ 13,665	\$ -	\$ 13,665	
353 Station Equipment	1,580,291	406,921	1,987,212	
354 Towers & Fixtures	60,984	-	60,984	
355 Poles & Fixtures	467,843	-	467,843	
356 Overhead Conductor & Devices	1,567,160	-	1,567,160	
Totals	\$ 3,689,944	\$ 406,921	\$ 4,096,864	
<b>Distribution Plant</b>				
360 Land & Land Rights	\$ 3,883	\$ -	\$ 3,883	
362 Station Equipment	1,914,862	-	1,914,862	
364 Poles, Towers & Fixtures	1,009,089	35,245	1,044,334	
365 Overhead Conductor & Devices	1,184,857	3,225	1,188,082	
366 Underground Conduit	122,566	25,768	148,334	
367 Underground Conductor & Devices	615,649	69,231	684,880	
368 Line Transformers	1,107,812	335,321	1,443,133	
369 Services	181,457	24,718	206,175	
370 Meters	706,981	44,257	751,238	
371 Security Lights	28,513	-	28,513	
373 Street Lighting	21,036	-	21,036	
Totals	\$ 6,896,706	\$ 537,766	\$ 7,434,471	
<b>General Plant</b>				
389 Land & Land Rights	\$ 100,616	\$ 91,417	\$ 192,033	
390 Structures & Improvements	1,498,568	87,194	1,585,762	
391 Office Furniture & Equipment	455,474	(164,596)	290,878	
392 Transportation Equipment	823,243	65,657	888,900	
393 Stores Equipment	2,127	1	2,128	
394 Tools, Shop & Garage Equipment	140,165	(45,582)	94,583	
395 Laboratory Equipment	24,961	11	24,972	
396 Power Operated Equipment	143,217	2,147	145,364	
397 Communication Equipment	307,378	(66,924)	240,454	
398 Miscellaneous Equipment	92,591	896	93,486	
Totals	\$ 3,588,340	\$ (29,780)	\$ 3,558,560	
<b>Total Utility Plant in Service</b>	\$ 14,174,990	\$ 914,906	\$ 15,089,896	
<b>Other Utility Plant</b>				
107 CWIP	\$ 314,008	\$ 1,649,687	\$ 1,963,696	
107 Projects to be Reclassified	-	\$ -	\$ -	
108 Temporary Services	-	-	-	
Totals	\$ 314,008	\$ 1,649,687	\$ 1,963,696	
<b>TOTAL UTILITY PLANT</b>	\$ 14,488,998	\$ 2,564,594	\$ 17,053,591	

SUPPORTING DOCUMENTS:  
 PLANT  
 PLANT 14

**DIXIE ESCALANTE REA INC.  
COMPARITIVE DEPARTMENTAL OPERATING STATEMENTS  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE E-6**

**NOT APPLICABLE**

DIXIE ESCALANTE REA INC.  
 OPERATING STATISTICS  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE E-7

<u>ELECTRIC STATISTICS</u>	<u>TEST YEAR</u>	<u>PRIOR YEARS</u>	
	<u>ENDED 12/31/21</u>	<u>ENDED 12/31/20</u>	<u>ENDED 12/31/19</u>
<b>KWH Sales-By Class of Service</b>			
RESIDENTIAL	30,545,691	29,197,068	27,118,142
SMALL COMMERCIAL	5,112,907	4,971,303	4,476,458
LARGE COMMERCIAL	4,482,848	4,047,538	3,569,222
IRRIGATION	1,351,559	1,345,955	786,661
OFF PEAK	-	-	-
STREET/AREA LIGHTS	15,732	19,044	15,732
	<u>41,508,737</u>	<u>39,580,908</u>	<u>35,966,215</u>
<b>Avg. No. of Customers-By Class of Service</b>			
RESIDENTIAL	2,432	2,387	2,265
SMALL COMMERCIAL	291	275	251
LARGE COMMERCIAL	10	10	9
IRRIGATION	11	11	11
OFF PEAK	-	-	-
STREET/AREA LIGHTS	4	4	4
	<u>2,748</u>	<u>2,687</u>	<u>2,540</u>
<b>Avg. KWH Use-By Class of Service</b>			
RESIDENTIAL	12,560	12,232	11,973
SMALL COMMERCIAL	17,570	18,077	17,834
LARGE COMMERCIAL	448,285	404,754	396,580
IRRIGATION	122,869	122,360	71,515
OFF PEAK	-	-	-
STREET/AREA LIGHTS	3,933	4,761	3,933
	<u>605,217</u>	<u>562,184</u>	<u>501,835</u>
<b>Total Annual Residential Revenue</b>	\$ 2,549,842.45	\$ 2,428,744.86	\$ 2,285,994.60
<b>Avg. Annual Revenue Per Residential Customer</b>	\$ 1,048.45	\$ 1,017.49	\$ 1,009.27
<b>KWH Production Expense</b>	\$ 1,927,502.65	\$ 1,783,637.00	\$ 1,592,334.00

**SUPPORTING SCHEDULES:**

CONS EXPENSES  
 CONS 20 EXPENSES 20  
 CONS 19 EXPENSES 19

DIXIE ESCALANTE REA INC.  
TAXES CHARGED TO OPERATIONS  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE E-8

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
PAYROLL & OTHER	-	-	-
PROPERTY	80,270	145,288	148,374
<b>TOTAL TAXES</b>	<b><u>80,270</u></b>	<b><u>145,288</u></b>	<b><u>148,374</u></b>

DIXIE ESCALANTE REA INC.  
NOTES TO FINANCIAL STATEMENTS  
TEST YEAR ENDED DECEMBER 31, 2015 - UT & AZ

SCHEDULE E-9

SEE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

# **F Schedules**

**DIXIE ESCALANTE REA INC.  
 PROJECTED INCOME STATEMENTS  
 PRESENT AND PROPOSED RATES  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE F-1**

	<b>TEST YEAR ENDED 12/31/2021 ( a )</b>	<b>PROPOSED ( b )</b>
<b>REVENUES:</b>		
SALES OF ELECTRIC ENERGY	3,400,761	3,773,121
OTHER ELECTRIC REVENUE	16,412	16,412
	<b>3,417,173</b>	<b>3,789,533</b>
<b>EXPENSES:</b>		
PURCHASED POWER	1,927,503	1,927,503
TRANSMISSION EXPENSE	9,432	9,432
DISTRIBUTION EXP. - OPER.	278,736	278,736
DISTRIBUTION EXP. - MAINT.	235,105	235,105
CONSUMER ACCOUNTS EXP.	199,216	199,216
ADMIN. & GENERAL	452,559	452,559
DEPRECIATION & AMORT.	429,228	429,228
TAXES - PROPERTY	80,270	80,270
TAXES - OTHER	-	-
INTEREST EXPENSE - OTHER	3,758	3,758
	<b>3,615,806</b>	<b>3,615,806</b>
<b>OPERATING MARGINS</b>	<b>(198,633)</b>	<b>173,727</b>
INTEREST EXPENSE - LTD	201,180	201,180
<b>NON-OPERATING MARGINS:</b>		
INTEREST INCOME	3,129	3,129
OTHER NON-OPERATING INCOME	275,698	275,698
CAPITAL CREDITS	54,667	54,667
OTHER DEDUCTIONS	33,105	33,105
	<b>333,494</b>	<b>333,494</b>
NET MARGINS	<b>(66,319)</b>	<b>306,041</b>
<b>SUPPORTING SCHEDULES:</b>		
( a ) E-2	<b>RECAP SCHEDULES:</b>	
	( b ) A-2	

DIXIE ESCALANTE REA INC.  
 PROJECTED CHANGES IN CASH FLOWS  
 TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ

SCHEDULE F-2

	TEST YEAR ENDED 12/31/21	AT PRESENT RATES 12/31/2021	AT PROPOSED RATES 12/31/2021
<b>CASH FLOWS</b>			
<b>FROM OPERATING ACTIVITIES:</b>			
NET MARGINS	5,181,721	5,181,721	9,723,446
ADJUSTMENTS			
DEPRECIATION & AMORTIZATION	4,866,326	4,866,326	4,866,326
GAIN ON DISPOSAL OF FIXED ASSETS	34,046	34,046	34,046
ACCRETION OF DEFERRED REVENUE	(2,468,488)	(2,468,488)	(2,468,488)
ACCRETION OF DERERED GAIN ON DEBT RESTRUCTURING	-	-	-
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)/DECREASE IN CFC INVESTMENT	(457,916)	(457,916)	(457,916)
(INCREASE)/DECREASE IN ACCOUNTS RECEIVABLE	839,460	839,460	839,460
(INCREASE)/DECREASE IN MATERIALS & SUPPLIES	(613,897)	(613,897)	(613,897)
(INCREASE)/DECREASE IN OTHER ASSETS	356,297	356,297	356,297
(INCREASE)/DECREASE IN NOTES RECEIVABLE	(199,782)	(199,782)	(199,782)
INCREASE/(DECREASE) IN ACCOUNTS PAYABLE	(531,007)	(531,007)	(531,007)
INCREASE/(DECREASE) IN CUSTOMER DEPOSITS	31,257	31,257	31,257
INCREASE/(DECREASE) IN ACCRUED EXPENSES	(5,589)	(5,589)	(5,589)
INCREASE/(DECREASE) IN ACCRUED PERSONAL LEAVE	8,962	8,962	8,962
INCREASE/(DECREASE) IN UNCLAIMED CAPITAL CREDITS	352,728	352,728	352,728
<b>TOTAL FROM OPERATIONS</b>	<b>7,394,118</b>	<b>7,394,118</b>	<b>11,935,843</b>
<b>FROM INVESTING ACTIVITIES:</b>			
CONSTRUCTION OF UTILITY PLANT	(30,777,929)	(30,777,929)	#####
PURCHASE OF NON UTILITY PLANT PROPERTY	-	-	-
PROCEEDS FROM THE SALE OF FIXED ASSETS	-	-	-
INVESTMENTS IN JOINT PROJECTS	-	-	-
<b>TOTAL FROM FINANCING</b>	<b>(30,777,929)</b>	<b>(30,777,929)</b>	<b>#####</b>
<b>FROM FINANCING:</b>			
FLOWELL CONSOLIDATION	1,260,118	1,260,118	1,260,118
PROCEEDS FROM NEW BORROWINGS	6,250,000	6,250,000	6,250,000
REPAYMENTS OF LONG-TERM DEBT	(5,996,771)	(5,996,771)	(5,996,771)
CUSTOMER ADVANCES OF IMPACT FEES	8,888,841	8,888,841	8,888,841
CUSTOMER ADVANCES FOR CONSTRUCTION	13,241,581	13,241,581	13,241,581
REFUND OF CUSTOMER ADVANCES	(478,123)	(478,123)	(478,123)
REFUND OF CAPITAL CREDITS	(1,731,272)	(1,731,272)	(1,731,272)
<b>TOTAL FROM FINANCING</b>	<b>21,434,374</b>	<b>21,434,374</b>	<b>21,434,374</b>
<b>INCREASE (DECREASE) IN CASH EQUIVALENTS</b>	<b>(1,949,437)</b>	<b>(1,949,437)</b>	<b>2,592,288</b>
<b>BALANCE AT BEGINNING OF YEAR</b>	<b>3,345,253</b>	<b>3,345,253</b>	<b>3,345,253</b>
<b>BALANCE AT END OF YEAR</b>	<b>1,395,816</b>	<b>1,395,816</b>	<b>5,937,541</b>

**SUPPORT SCHEDULES:**

- (a) E-2
- (c) F-3

**RECAP SCHEDULES:**

DIXIE ESCALANTE REA INC.  
 PROJECTED CONSTRUCTION REQUIREMENTS  
 TEST YEAR ENDED DECEMBER 31, 2021 - UT and AZ

REVISED SCHEDULE F-3

PROPERTY CLASSIFICATION:	ACTUAL	PROJECTED YEAR ENDED				
	TEST YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	12/31/21	12/31/22*	12/31/23**	12/31/24	12/31/25	12/31/26
TRANSMISSION PLANT	6,229,185	962,680	6,800,000	1,000,000	1,000,000	1,000,000
DISTRIBUTION PLANT	11,360,620	13,431,918	15,750,000	5,000,000	3,000,000	3,000,000
GENERAL PLANT	(330,902)	3,241,105	2,778,500	1,000,000	1,000,000	1,000,000
<b>TOTAL PLANT (a)</b>	<b>17,258,903</b>	<b>17,635,703</b>	<b>25,328,500</b>	<b>7,000,000</b>	<b>5,000,000</b>	<b>5,000,000</b>

SUPPORTING SCHEDULES:

PLANT  
 PLANT 10

RECAP SCHEDULES:

(a) F-2 & A-4

\*2022 from Actual unaudited yearend data

\*\*2023 from budgeted data

DIXIE ESCALANTE REA INC.  
 PROJECTED CONSTRUCTION REQUIREMENTS  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE F-3

PROPERTY CLASSIFICATION:	ACTUAL	PROJECTED YEAR ENDED				
	TEST YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
TRANSMISSION PLANT	406,921	72,971	515,440	75,800	75,800	75,800
DISTRIBUTION PLANT	537,766	1,274,689	1,494,675	474,500	284,700	284,700
GENERAL PLANT	(29,780)	307,581	263,680	94,900	94,900	94,900
<b>TOTAL PLANT (a)</b>	<b>914,906</b>	<b>1,655,241</b>	<b>2,273,795</b>	<b>645,200</b>	<b>455,400</b>	<b>455,400</b>

RECAP SCHEDULES:

(a) A-4

DIXIE ESCALANTE REA INC.  
ASSUMPTIONS USED IN DEVELOPING PROJECTIONS  
TEST YEAR ENDED DECEMBER 31, 2021

SCHEDULE F-4

**PURCHASED POWER**

DEMAND 8.040204 PER KW  
ENERGY 0.022457 PER KWh

**PURCHASED POWER 2022**

DEMAND 8.646532 PER KW 7.54% increase  
ENERGY 0.024232 PER KWh 7.90% increase

**DEPRECIATION RATES**

TRANSMISSION PLANT 2.75%  
DISTRIBUTION PLANT 2.87%  
CONSTRUCTION EXPENDITURES - SCHEDULE F-3

# **G Schedules**

**DIXIE ESCALANTE REA INC.**  
**COST OF SERVICE SUMMARY - PRESENT RATES**  
**FULLY DISTRIBUTED EMBEDDED COST OF SERVICE STUDY - ARIZONA**  
**TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-1

	<b>ARIZONA</b>		<b>SC</b>		<b>IR</b>	
	<b>TOTAL</b>	<b>Residential</b>	<b>Sm Comm</b>	<b>Lg Comm</b>	<b>Irrigation</b>	<b>Area Lights</b>
<b>REVENUES-Sales</b>	3,400,761	2,549,843	408,147	320,770	98,257	23,744
<b>Other Operating Revenues</b>	16,412	14,524	1,738	60	66	24
<b>TOTAL OPERATING REVENUES</b>	3,417,173	2,564,367	409,885	320,830	98,323	23,768
<b>TOTAL OPERATING EXPENSES</b>	3,615,806	2,786,118	390,161	326,414	100,489	12,623
<b>NET OPERATING INCOME</b>	(198,633)	(221,751)	19,724	(5,585)	(2,167)	11,145
<b>TOTAL RATE BASE</b>	10,267,968	7,776,631	1,095,097	1,009,663	311,609	74,967
<b>% RETURN ON RATE BASE</b>	-1.93%	-2.85%	1.80%	-0.55%	-0.70%	14.87%
<b>Cost of Service with Target ROR=</b>	0.00%					
<b>RETURN (\$)</b>	-	-	-	-	-	-
<b>EXPENSES</b>	3,615,806	2,786,118	390,161	326,414	100,489	12,623
<b>LESS REVENUE CREDITS</b>	16,412	14,524	1,738	60	66	24
<b>TOTAL COST OF SERVICE</b>	3,599,394	2,771,594	388,423	326,355	100,424	12,599
<b>TOTAL SALES REVENUES</b>	3,400,761	2,549,843	408,147	320,770	98,257	23,744
<b>DEFICIT</b>	198,633	221,751	(19,724)	5,585	2,167	(11,145)
<b>% RATE INCREASE FOR EQ ROR</b>	5.84%	8.70%	-4.83%	1.74%	2.21%	-46.94%

**DIXIE ESCALANTE REA INC.**  
**COST OF SERVICE SUMMARY - PROPOSED RATES**  
**FULLY DISTRIBUTED EMBEDDED COST OF SERVICE STUDY - ARIZONA**  
**TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-2

	<b>ARIZONA</b>		<b>SC</b>		<b>IR</b>	
	<b>TOTAL</b>	<b>Residential</b>	<b>Sm Comm</b>	<b>Lg Comm</b>	<b>Irrigation</b>	<b>Area Lights</b>
<b>REVENUES-Sales</b>	3,773,121	2,851,505	452,340	340,143	108,756	20,376
<b>Other Operating Revenues</b>	16,412	14,524	1,738	60	66	24
<b>TOTAL OPERATING REVENUES</b>	3,789,533	2,866,030	454,079	340,203	108,822	20,400
<b>TOTAL OPERATING EXPENSES</b>	3,615,806	2,786,118	390,161	326,414	100,489	12,623
<b>NET OPERATING INCOME</b>	173,727	79,911	63,917	13,789	8,333	7,777
<b>TOTAL RATE BASE</b>	10,267,968	7,776,631	1,095,097	1,009,663	311,609	74,967
<b>% RETURN ON RATE BASE</b>	1.69%	1.03%	5.84%	1.37%	2.67%	10.37%
<b>Cost of Service with Target ROR=</b>	0.00%					
<b>RETURN (\$)</b>	-	-	-	-	-	-
<b>EXPENSES</b>	3,615,806	2,786,118	390,161	326,414	100,489	12,623
<b>LESS REVENUE CREDITS</b>	16,412	14,524	1,738	60	66	24
<b>TOTAL COST OF SERVICE</b>	3,599,394	2,771,594	388,423	326,355	100,424	12,599
<b>TOTAL SALES REVENUES</b>	3,773,121	2,851,505	452,340	340,143	108,756	20,376
<b>DEFICIT</b>	(173,727)	(79,911)	(63,917)	(13,789)	(8,333)	(7,777)
<b>% RATE INCREASE FOR EQ ROR</b>	-4.60%	-2.80%	-14.13%	-4.05%	-7.66%	-38.17%

DIXIE ESCALANTE REA INC.  
 RATE BASE CLASSIFICATION  
 COST OF SERVICE STUDY - ARIZONA  
 TEST YEAR ENDED DECEMBER 31, 2021

Schedule G-3

	CF	TOTAL **	DEM-CP	DEM-PRI	DEM-SEC	ENERGY	CUST-PLT-M	CUST-SER	CUST-PLT-S	DIR-Deposits	DIR-Lighting	DIR-Impact
<b>INTANGIBLE PLANT</b>		0										
<b>TRANSMISSION PLANT</b>	1	4,096,864	4,096,864	-	-	-	-	-	-	-	-	-
<b>DISTRIBUTION PLANT</b>												
360-Land	2	3,883	-	3,883	-	-	-	-	-	-	-	-
362-Station equipment	2	1,914,862	-	1,914,862	-	-	-	-	-	-	-	-
364-Poles,towers & fixtures	2	1,044,334	-	1,044,334	-	-	-	-	-	-	-	-
365-Overhead conductors	2	1,188,082	-	1,188,082	-	-	-	-	-	-	-	-
366-Undergrd conduit	2	148,334	-	148,334	-	-	-	-	-	-	-	-
367-Undergrd conductors	2	684,880	-	684,880	-	-	-	-	-	-	-	-
368-Line transformers	11	1,443,133	-	-	1,010,193	-	-	-	432,940	-	-	-
369-Services	7	206,175	-	-	-	-	-	-	206,175	-	-	-
370-Meters	5	751,238	-	-	-	-	751,238	-	-	-	-	-
371-Install on cust premises	9	28,513	-	-	-	-	-	-	-	-	28,513	-
373-St Lighting	9	21,036	-	-	-	-	-	-	-	-	21,036	-
Total Distribution Plant		7,434,471	-	4,984,375	1,010,193	-	751,238	-	639,115	-	49,550	-
<b>GENERAL PLANT</b>	13	3,558,560	1,264,289	1,538,174	311,745	-	231,831	-	197,230	-	15,291	-
<b>TOTAL PLANT IN SERVICE</b>		15,089,896	5,361,153	6,522,549	1,321,938	-	983,069	-	836,346	-	64,841	-
CWIP - Transmission	16	203,711	203,711	-	-	-	-	-	-	-	-	-
CWIP - Distribution	12	1,288,640	-	863,957	175,100	-	130,214	-	110,780	-	8,589	-
CWIP - General	17	471,344	167,460	203,737	41,292	-	30,707	-	26,124	-	2,025	-
Subtotal CWIP		1,963,696	371,171	1,067,694	216,392	-	160,921	-	136,904	-	10,614	-
Materials & Supplies	13	483,110	171,640	208,822	42,322	-	31,473	-	26,776	-	2,076	-
Prepayments	13	1,639	582	709	144	-	107	-	91	-	7	-
Cash Working Capital *		-	-	-	-	-	-	-	-	-	-	-
Subtotal		2,448,445	543,393	1,277,225	258,858	-	192,502	-	163,771	-	12,697	-
LESS Accumulated deprec & amort												
Transmission	16	697,837	697,837	-	-	-	-	-	-	-	-	-
Distribution	12	1,641,893	-	1,100,792	223,100	-	165,910	-	141,148	-	10,943	-
General	17	1,375,858	488,816	594,709	120,531	-	89,634	-	76,256	-	5,912	-
Intangible-Amortization	13	-	-	-	-	-	-	-	-	-	-	-
Subtotal		3,715,588	1,186,653	1,695,502	343,631	-	255,544	-	217,404	-	16,855	-
LESS Cust impact fees	10	3,519,822	-	-	-	-	-	-	-	-	-	3,519,822
LESS Cust deposits	8	34,963	-	-	-	-	-	-	-	34,963	-	-
<b>TOTAL RATE BASE</b>		10,267,968	4,717,893	6,104,272	1,237,165	-	920,027	-	782,713	(34,963)	60,683	(3,519,822)

**DIXIE ESCALANTE REA INC.  
 RATE BASE ALLOCATION  
 COST OF SERVICE STUDY - ARIZONA  
 TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-3.1

	AF	TOTAL	Residential	SC Sm Comm	Lg Comm	IR Irrigation	Area Lights
Demand-CP	1	4,717,893	3,562,096	471,249	545,444	134,488	4,615
-Primary	2	6,104,272	4,768,454	551,305	563,630	208,955	11,928
-Secondary	3	1,237,165	1,002,834	117,575	84,783	30,514	1,459
Total Demand		12,059,330	9,333,384	1,140,129	1,193,857	373,957	18,002
Energy	4	-	-	-	-	-	-
Customer-Plant-Meters	5	920,027	718,845	172,062	17,738	11,382	-
-Services	6	-	-	-	-	-	-
-Plant-Services	7	782,713	686,196	82,123	11,288	3,104	-
Total Customer		1,702,740	1,405,042	254,185	29,027	14,486	-
Direct-Cust Deposits	8	(34,963)	(30,942)	(3,703)	(127)	(140)	(51)
Direct-Lighting	9	60,683	-	-	-	-	60,683
Direct-Impact Fees	11	(3,519,822)	(2,930,852)	(295,515)	(213,094)	(76,695)	(3,667)
<b>TOTAL RATE BASE</b>		<b>10,267,968</b>	<b>7,776,631</b>	<b>1,095,097</b>	<b>1,009,663</b>	<b>311,609</b>	<b>74,967</b>

DIXIE ESCALANTE REA INC.  
EXPENSE CLASSIFICATION  
COST OF SERVICE STUDY - ARIZONA  
TEST YEAR ENDED DECEMBER 31, 2021

Schedule G-4

	CF	TOTAL **	DEM-CP	DEM-PRI	DEM-SEC	ENERGY	CUST-PLT-M	CUST-SER	CUST-PLT-S	DIR-Deposits	DIR-Lighting	DIR-Impact
<b>POWER PRODUCTION</b>												
555-Purchased Power-Demand	1	936,370	936,370	-	-	-	-	-	-	-	-	-
555-Purchased Power-Energy	4	976,997	-	-	-	976,997	-	-	-	-	-	-
555-Purchased Power-Other	14	5,425	2,655	-	-	2,770	-	-	-	-	-	-
557-Other power supply	14	8,710	4,263	-	-	4,448	-	-	-	-	-	-
Subtotal		1,927,503	943,288	-	-	984,215	-	-	-	-	-	-
<b>TRANSMISSION O&amp;M</b>												
<b>DISTRIBUTION OPER</b>												
580-Supervision	12	46,383	-	31,097	6,302	-	4,687	-	3,987	-	309	-
581-Load dispatching	12	18,077	-	12,120	2,456	-	1,827	-	1,554	-	120	-
582-Station	2	6,934	-	6,934	-	-	-	-	-	-	-	-
583-Overhead lines	2	60,231	-	60,231	-	-	-	-	-	-	-	-
584-Undergrd lines	2	796	-	796	-	-	-	-	-	-	-	-
585-Street Lights	9	0	-	-	-	-	-	-	-	-	0	-
586-Meters	5	31,295	-	-	-	-	31,295	-	-	-	-	-
587-Cust installations	6	53,180	-	-	-	-	-	53,180	-	-	-	-
588-Misc	12	61,838	-	41,459	8,402	-	6,249	-	5,316	-	412	-
589-Rents	12	2	-	1	0	-	0	-	0	-	0	-
Subtotal		278,736	-	152,638	17,162	-	44,057	53,180	10,858	-	842	-
<b>DISTRIBUTION MAINT</b>												
590-Maint suprv & engr	12	-	-	-	-	-	-	-	-	-	-	-
592-Station equipment	2	46,904	-	46,904	-	-	-	-	-	-	-	-
593-Overhead lines	2	132,352	-	132,352	-	-	-	-	-	-	-	-
594-Undergrd lines	2	24,798	-	24,798	-	-	-	-	-	-	-	-
595-Line transformers	18	(139)	-	-	(97.55)	-	-	-	(41.81)	-	-	-
596-Maint of St Lights	9	3,696	-	-	-	-	-	-	-	-	3,695.75	-
597-Meters	5	27,494	-	-	-	-	27,494.44	-	-	-	-	-
598-Misc	12	-	-	-	-	-	-	-	-	-	-	-
Subtotal		235,105	-	204,054	(98)	-	27,494	-	(42)	-	3,696	-
<b>CUSTOMER EXPENSES</b>												
901-Supervision-accts	6	-	-	-	-	-	-	-	-	-	-	-
902-Meter reading	6	8,072	-	-	-	-	-	8,072	-	-	-	-
903-Records & collection	6	158,359	-	-	-	-	-	158,359	-	-	-	-
904-Uncollectibles	8	5,087	-	-	-	-	-	-	-	5,087	-	-
908-Cust assistance	6	14,342	-	-	-	-	-	14,342	-	-	-	-
909-Info & instruc advertising	6	13,356	-	-	-	-	-	13,356	-	-	-	-
910-Misc cust svc & info	6	-	-	-	-	-	-	-	-	-	-	-
912.1-Demonstrating & selling	6	-	-	-	-	-	-	-	-	-	-	-
912.2-Rebate expense	1	-	-	-	-	-	-	-	-	-	-	-
Subtotal		199,216	-	-	-	-	-	194,129	-	5,087	-	-
<b>ADMINISTRATIVE &amp; GEN</b>												
920-Admin & gen salaries	15	212,075	2,769	104,701	5,009	-	21,003	72,594	3,175	1,493	1,332	-
921-Office supplies & expenses	15	79,988	1,044	39,490	1,889	-	7,922	27,380	1,197	563	502	-
923-Outside services	15	4,071	53	2,010	96	-	403	1,393	61	29	26	-
924-Property insurance	13	11,192	3,976	4,838	980	-	729	-	620	-	48	-
925-Injuries & damages	15	-	-	-	-	-	-	-	-	-	-	-
928-Regulatory expenses	15	4,659	61	2,300	110	-	461	1,595	70	33	29	-
929-Duplicate charges - Cr	15	(52,441)	(685)	(25,890)	(1,239)	-	(5,194)	(17,951)	(785)	(369)	(329)	-
930-Misc general expenses	15	79,681	1,040	39,339	1,882	-	7,891	27,275	1,193	561	500	-
931-Rents	13	451	160	195	40	-	29	-	25	-	2	-
935-Maint of general plant	17	112,884	40,106	48,794	9,889	-	7,354	-	6,257	-	485	-
Subtotal		452,559	48,524	215,775	18,657	-	40,599	112,286	11,812	2,310	2,595	-
<b>DEPRECIATION &amp; AMORT EXP</b>												
Transmission	16	104,004	104,004	-	-	-	-	-	-	-	-	-
Distribution	12	198,305	-	132,952	26,946	-	20,038	-	17,048	-	1,322	-
General	17	126,919	45,092	54,860	11,119	-	8,268	-	7,034	-	545	-
Intangible-Amortization	13	-	-	-	-	-	-	-	-	-	-	-
Subtotal		429,228	149,096	187,812	38,064	-	28,307	-	24,082	-	1,867	-
Taxes-Property-Electric Utility	13	80,270	28,518	34,696	7,032	-	5,229	-	4,449	-	345	-
Interest on cust deposits	8	3,758	-	-	-	-	-	-	-	3,758	-	-
<b>TOTAL EXPENSES</b>		<b>3,615,806</b>	<b>1,178,858</b>	<b>794,976</b>	<b>80,817</b>	<b>984,215</b>	<b>145,687</b>	<b>359,595</b>	<b>51,159</b>	<b>11,155</b>	<b>9,345</b>	<b>-</b>

**DIXIE ESCALANTE REA INC.  
EXPENSE ALLOCATION  
COST OF SERVICE STUDY - ARIZONA  
TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-4.1

	AF	TOTAL	Residential	SC Sm Comm	Lg Comm	IR Irrigation	Area Lights
Demand-CP	1	1,178,858	890,060	117,751	136,290	33,604	1,153
-Primary	2	794,976	621,008	71,798	73,403	27,213	1,553
-Secondary	3	80,817	65,509	7,681	5,538	1,993	95
Total Demand		2,054,651	1,576,578	197,229	215,231	62,811	2,802
Energy	4	984,215	724,270	121,232	106,293	32,047	373
Customer-Plant-Meters	5	145,687	113,830	27,246	2,809	1,802	-
-Services	6	359,595	316,719	37,905	1,303	3,582	87
-Plant-Services	7	51,159	44,851	5,368	738	203	-
Total Customer		556,441	475,399	70,518	4,849	5,587	87
Direct-Cust Deposits	8	11,155	9,872	1,181	41	45	16
Direct-Lighting	9	9,345	-	-	-	-	9,345
Direct-Impact Fees	11	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>		<b>3,615,806</b>	<b>2,786,118</b>	<b>390,161</b>	<b>326,414</b>	<b>100,489</b>	<b>12,623</b>

**DIXIE ESCALANTE REA INC.  
REVENUE ALLOCATION  
COST OF SERVICE STUDY - ARIZONA  
TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-5

	<b>AF</b>	<b>TOTAL</b>	<b>Residential</b>	<b>SC Sm Comm</b>	<b>Lg Comm</b>	<b>IR Irrigation</b>	<b>Area Lights</b>
<b>REVENUES-Sales</b>	DIR	3,400,761	2,549,843	408,147	320,770	98,257	23,744
<b>REVENUE CREDITS</b>							
450-Penalties	10	-	-	-	-	-	-
451-Conn,Disc & ret ck fees	10	16,412	14,524	1,738	60	66	24
Subtotal		16,412	14,524	1,738	60	66	24
<b>TOTAL REVENUES</b>		<b>3,417,173</b>	<b>2,564,367</b>	<b>409,885</b>	<b>320,830</b>	<b>98,323</b>	<b>23,768</b>

**DIXIE ESCALANTE REA INC.**  
**DEVELOPMENT OF AVERAGE UNIT COSTS**  
**COST OF SERVICE STUDY - ARIZONA**  
**TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-6

	TOTAL	Residential	SC Sm Comm	Lg Comm	IR Irrigation	Area Lights
Total Return (\$) with Target ROR =	0.00%					
Total COS (Return+Exp-Rev Credits)						
Demand Total	2,045,325	1,568,324	196,242	215,197	62,773	2,788
Energy Total	979,748	720,316	120,759	106,277	32,029	366
Customer Total	574,322	482,953	71,423	4,880	5,621	9,444
Total Cost of Service	3,599,394	2,771,594	388,423	326,355	100,424	12,599
ANNUAL BILLING UNITS	TOTAL	Residential	SC Sm Comm	Lg Comm	IR Irrigation	Area Lights
Cust-months or lamp-months	34,429	29,178	3,492	120	132	1,507
KWH (@ meter)	41,508,737	30,545,691	5,112,907	4,482,848	1,351,559	15,732
KW (MCD @ meter)	268,458	220,426	23,642	18,062	6,019	309
AVERAGE UNIT COST OF SERVICE						
Cust-\$/Cust/mo or Tot \$/lamp/mo	16.68	16.55	20.45	40.67	42.59	8.36
Energy--Cents/kwh	2.36	2.36	2.36	2.37	2.37	
Demand--\$/Kw	7.62	7.11	8.30	11.91	10.43	
Demand+Energy(Avg)--Cents/kwh		7.49	6.20	7.17	7.01	
Unit COS with flat cents/Kwh	8.67	9.07	7.60	7.28	7.43	80.08
Actual 2021 Ave Price(C/Kwh)	8.19	8.35	7.98	7.16	7.27	150.93

DIXIE ESCALANTE REA INC.  
 CLASSIFICATION FACTORS  
 COST OF SERVICE STUDY - ARIZONA  
 TEST YEAR ENDED DECEMBER 31, 2021

Schedule G-7

CLASSIFICATION FACTORS	CF	TOTALS	DEM-CP	DEM-PRI	DEM-SEC	ENERGY	CUST-PLT-M	CUST-SER	CUST-PLT-S	Dir-Deposits	DIR-Lighting	DIR-Impact
Demand-CP	1	1.00000	1									
Demand-Primary	2	1.00000		1								
Demand-Secondary	3	1.00000			1							
Energy	4	1.00000				1						
Customer-Plant-Meters	5	1.00000					1					
Customer-Services	6	1.00000						1				
Customer-Plant-Services	7	1.00000							1			
Direct-Deposits	8	1.00000								1		
Direct-Lighting	9	1.00000									1	
Direct-Impact Fees	10	1.00000										1
Line Transformers	11	1.00000	0.00000	0.00000	0.70000	0.00000	0.00000	0.00000	0.30000	0.00000	0.00000	0.00000
Distribution Plant (derived)	12	1.00000	0.00000	0.67044	0.13588	0.00000	0.10105	0.00000	0.08597	0.00000	0.00666	0.00000
Transm+Distr Plant (derived)	13	1.00000	0.35528	0.43225	0.08760	0.00000	0.06515	0.00000	0.05542	0.00000	0.00430	0.00000
Purch Pwr-Kw & Kwh (derived)	14	1.00000	0.48938	0.00000	0.00000	0.51062	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
O&M-Power Prod Exp (derived)	15	1.00000	0.01305	0.49370	0.02362	0.00000	0.09903	0.34230	0.01497	0.00704	0.00628	0.00000
Transmission Plant (derived)	16	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
General Plant (derived)	17	1.00000	0.35528	0.43225	0.08760	0.00000	0.06515	0.00000	0.05542	0.00000	0.00430	0.00000

**DIXIE ESCALANTE REA INC.**  
**DEVELOPMENT OF ALLOCATION FACTORS**  
**COST OF SERVICE STUDY - ARIZONA**  
**TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-7.1

<b>ALLOCATION FACTORS</b>	<b>AF</b>	<b>TOTAL</b>	<b>Residential</b>	<b>Sm Comm</b>	<b>Lg Comm</b>	<b>Irrigation</b>	<b>Area Lights</b>
Demand-CP (Sys 12 CP)	1	1.0000	0.7550	0.0999	0.1156	0.0285	0.0010
Demand-Primary (sch peak)	2	1.0000	0.7812	0.0903	0.0923	0.0342	0.0020
Demand-Secondary (MCDxDcf)	3	1.0000	0.8106	0.0950	0.0685	0.0247	0.0012
Energy (KWH) @ Input	4	1.0000	0.7359	0.1232	0.1080	0.0326	0.0004
Customer-Plant-Meters	5	1.0000	0.7813	0.1870	0.0193	0.0124	0.0000
Customer-Services	6	1.0000	0.8808	0.1054	0.0036	0.0100	0.0002
Cust-Plant-Svc drops	7	1.0000	0.8767	0.1049	0.0144	0.0040	0.0000
Cust Deposits	8	1.0000	0.8850	0.1059	0.0036	0.0040	0.0015
Direct-Lighting	9	1.0000	0.0000	0.0000	0.0000	0.0000	1.0000
Average customers	10	1.0000	0.8850	0.1059	0.0036	0.0040	0.0015
Impact fees on MCD	11	1.0000	0.8327	0.0840	0.0605	0.0218	0.0010

**SUMMARY Estimated Loads**

KWH @ Meter	41,508,737	30,545,691	5,112,907	4,482,848	1,351,559	15,732
KWH @ Input	43,961,256	32,350,469	5,415,001	4,747,716	1,431,414	16,656
Max Cust Dem-NCP mo (kw) (MCD)	26,345	21,937	2,212	1,595	574	27
Distr In transf design CF (DCF)		0.86	1.00	1.00	1.00	1.00
MCD (kw) X DCF	23,274	18,866	2,212	1,595	574	27
Sched Pk Month @ Input (kw)	15,231	11,898	1,376	1,406	521	30
Sys 12CP @ Input (kw)	116,461	87,930	11,633	13,464	3,320	114

**Weighted Customer Factors AZ**

1. Type of meter		kwh & kw	kwh & kw	kwh & kw	kw & kwh	None
2. # meter reads/bills per yr		12	12	12	12	12
3. rel labor-meter reading,billing, svc		6	6	6	15	1
4. line 2 X line 3		72	72	72	180	12
5. Relative wgt-services		6.0	6.0	6.0	15.0	1.0
6. est cost of metering to D/E		200	400	1,200	700	0
7. Relative wgt-plant-meters		1.0	2.0	6.0	3.5	0.0
8. est cost of service drops		2,000	2,000	8,000	2,000	0
9. Relative wgt-plant-svc drops		1.0	1.0	4.0	1.0	0.0
10. Average No. Customers	2,748	2,432	291	10	11	4
11. Wgt'd Cust-Plant-Meters line 7x10	3,112	2,432	582	60	39	0
12. Wgt'd Cust-Services line 5x10	16,564	14,589	1,746	60	165	4
13. Wgt'd Cust-Plant-Svc drop line 9x10	2,774	2,432	291	40	11	0

<b>Wgt'd Cust-Plant-Svc drop UT</b>	<b>17,558</b>
<b>Wgt'd Cust-Plant-Meters line UT</b>	<b>18,004</b>
Average # area lights	125.6

DIXIE ESCALANTE REA INC.  
 ARIZONA CUSTOMER DATA  
 COST OF SERVICE STUDY - ARIZONA  
 TEST YEAR ENDED DECEMBER 31, 2021

Schedule G-7.2

**KWH @ meter (from billing records)**

Rate Schedule	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL	AVERAGE
Area Lights	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	15,732	1,311
Irrigation	50,279	53,321	60,825	115,603	125,787	166,084	154,188	149,579	107,877	118,361	128,941	120,714	1,351,559	112,630
Large Commercial	378,894	392,494	328,294	333,214	363,374	389,694	395,174	445,134	405,814	340,694	359,614	350,454	4,482,848	373,571
Residential	2,950,755	2,747,248	2,064,496	1,759,589	1,960,536	2,945,049	3,624,431	3,435,461	2,950,770	1,722,495	1,688,048	2,696,813	30,545,691	2,545,474
Small Commercial	476,078	461,113	373,818	370,753	354,380	453,579	504,789	493,460	441,185	332,830	371,901	479,021	5,112,907	426,076
<b>TOTAL</b>	<b>3,857,317</b>	<b>3,655,487</b>	<b>2,828,744</b>	<b>2,580,470</b>	<b>2,805,388</b>	<b>3,955,717</b>	<b>4,679,893</b>	<b>4,524,945</b>	<b>3,906,957</b>	<b>2,515,691</b>	<b>2,549,815</b>	<b>3,648,313</b>	<b>41,508,737</b>	<b>3,459,061</b>

**KW @ meter (from billing records)**

Irrigation	554	549	503	511	510	565	574	514	493	457	422	367	6,019	502
Large Commercial	1,536	1,582	1,546	1,417	1,462	1,517	1,535	1,595	1,563	1,460	1,354	1,496	18,062	1,505
Residential	21,937	21,555	20,504	18,072	16,522	17,243	17,035	15,955	16,278	16,371	17,315	21,639	220,426	18,369
Small Commercial	2,113	2,063	2,110	1,994	1,783	1,903	1,881	1,850	1,956	1,904	1,874	2,212	23,642	1,970
<b>TOTAL</b>	<b>26,140</b>	<b>25,748</b>	<b>24,663</b>	<b>21,993</b>	<b>20,277</b>	<b>21,228</b>	<b>21,026</b>	<b>19,914</b>	<b>20,290</b>	<b>20,192</b>	<b>20,965</b>	<b>25,714</b>	<b>268,149</b>	<b>22,346</b>

**Number of CUSTOMERS (from billing records)**

Area Lights	4	4	3	3	3	4	4	4	4	4	4	4	4	4
Irrigation	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Large Commercial	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Residential	2,395	2,401	2,408	2,407	2,413	2,416	2,423	2,426	2,434	2,442	2,459	2,468	2,468	2,432
Small Commercial	277	282	283	288	285	289	291	295	293	301	304	305	305	291
Total Meters	2,697	2,708	2,715	2,719	2,722	2,730	2,739	2,746	2,752	2,768	2,788	2,798	2,798	2,748

	Total	Residential	Sm Comm	Lg Comm	Irrigation	Off Peak	Lighting
Avg # custs/ln transf	2.58	3.7	1	1	1	1	1
Delivery voltage		secondary	secondary	secondary	secondary	secondary	secondary

AZ impact fees 2021 =	576,623	6.7%
UT impact fees 2021 =	8,010,901	93.3%
Total	8,587,523	100.0%
Total accumulated impact fees =	52,419,989	
AZ estimated sh of impact fees =	3,519,822	

DIXIE ESCALANTE REA INC.  
DEVELOPMENT OF LOADS FOR ALLOCATION FACTORS  
COST OF SERVICE STUDY - ARIZONA  
TEST YEAR ENDED DECEMBER 31, 2021

Schedule G-7.3

1. Residential	L#	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
KWH @ Meter **	1	2,950,755	2,747,248	2,064,496	1,759,589	1,960,536	2,945,049	3,624,431	3,435,461	2,950,770	1,722,495	1,688,048	2,696,813	30,546,691
KWH @ Input	2	3,125,099	2,909,568	2,186,476	1,863,553	2,076,373	3,119,056	3,838,579	3,638,444	3,125,115	1,824,268	1,787,785	2,856,153	32,350,469
Load Factor (PU) calc	3	0.1755	0.1357	0.1135	0.1241	0.1209	0.1988	0.2433	0.2350	0.2158	0.1563	0.1136	0.1813	0.168 avg
Max Cust Demand (KW) **	4	21,937	21,555	20,504	18,072	16,522	17,243	17,035	15,955	16,278	16,371	17,315	21,639	220,426
Schedule Coincidence Factor	5	0.500	0.442	0.357	0.364	0.398	0.553	0.587	0.560	0.585	0.487	0.409	0.501	0.478 avg
Sched PK @ Meter (KW)	6	10,972	9,531	7,315	6,573	6,574	9,535	9,999	8,932	9,520	7,970	7,077	10,833	104,831
Sched PK @ Input (KW)	7	11,898	10,336	7,933	7,128	7,129	10,340	10,843	9,686	10,323	8,642	7,674	11,748	113,679
System Coincidence Factor	8	0.651	0.598	0.610	0.612	0.968	0.980	0.822	0.825	0.717	0.579	0.900	0.727	0.762 avg
Coincident PK @ Input (KW)	9	7,745	6,181	4,626	5,788	6,901	10,133	8,913	7,991	7,402	5,004	6,907	8,541	87,930
<b>2. Small Commercial</b>														
KWH @ Meter **	1	476,078	461,113	373,818	370,753	354,380	453,579	504,789	493,460	441,185	332,830	371,901	479,021	5,112,907
KWH @ Input	2	504,207	488,358	395,905	392,659	375,318	480,378	534,614	522,616	467,252	352,495	393,875	507,324	5,415,001
Load Factor (PU)calc'd	3	0.2968	0.2666	0.2217	0.2379	0.2233	0.2977	0.3227	0.3197	0.2993	0.2435	0.2349	0.3022	0.272 avg
Max Cust Demand (KW)**	4	2,113	2,063	2,110	1,994	1,783	1,903	1,881	1,850	1,956	1,904	1,874	2,212	23,642
Schedule Coincidence Factor	5	0.598	0.588	0.525	0.534	0.535	0.631	0.636	0.610	0.634	0.570	0.554	0.574	0.582 avg
Sched PK @ Meter (KW)	6	1,264	1,213	1,109	1,065	955	1,201	1,197	1,128	1,241	1,084	1,039	1,269	13,763
Sched PK @ Input (KW)	7	1,370	1,315	1,202	1,155	1,035	1,302	1,298	1,223	1,346	1,176	1,127	1,376	14,925
System Coincidence Factor	8	0.770	0.768	0.753	0.756	0.853	0.952	0.777	0.780	0.742	0.685	0.758	0.761	0.780 avg
Coincident PK @ Input (KW)	9	1,055	1,010	906	873	883	1,239	1,008	954	998	805	858	1,047	11,633
<b>3. Large Commercial</b>														
KWH @ Meter **	1	378,894	392,494	328,294	333,214	363,374	389,694	395,174	445,134	405,814	340,694	359,614	350,454	4,482,848
KWH @ Input	2	401,281	415,684	347,691	352,902	384,844	412,719	418,523	471,435	429,791	360,824	380,862	371,160	4,747,716
Load Factor (PU)calc'd	3	0.2952	0.2286	0.2490	0.1962	0.1885	0.2832	0.2322	0.2198	0.3021	0.1895	0.2514	0.2449	0.2401 avg
Max Cust Demand (KW)**	4	1,536	1,582	1,546	1,417	1,462	1,517	1,535	1,595	1,563	1,460	1,354	1,496	18,062
Schedule Coincidence Factor	5	0.755	0.774	0.751	0.768	0.783	0.855	0.807	0.768	0.776	0.757	0.779	0.754	0.777 avg
Sched PK @ Meter (KW)	6	1,159	1,225	1,161	1,089	1,144	1,297	1,240	1,225	1,214	1,105	1,054	1,128	14,041
Sched PK @ Input (KW)	7	1,257	1,328	1,259	1,180	1,241	1,406	1,344	1,329	1,316	1,198	1,143	1,223	15,226
System Coincidence Factor	8	0.796	0.797	0.857	0.900	1.000	1.000	1.000	0.990	0.797	0.795	0.861	0.794	0.882 avg
Coincident PK @ Input (KW)	9	1,001	1,058	1,079	1,062	1,241	1,406	1,344	1,315	1,049	952	985	971	13,464
<b>4. Irrigation 04</b>														
KWH @ Meter **	1	50,279	53,321	60,825	115,603	125,787	166,084	154,188	149,579	107,877	118,361	128,941	120,714	1,351,559
KWH @ Input	2	53,250	56,471	64,419	122,433	133,219	175,897	163,298	158,417	114,251	125,354	136,559	127,846	1,431,414
Load Factor (PU) calc	3	0.0901	0.1366	0.1451	0.2118	0.2153	0.2184	0.2604	0.2057	0.1791	0.1871	0.1475	0.1028	0.175 avg
Max Cust Demand (KW) **	4	554	549	503	511	510	565	574	514	493	422	422	367	6,019
Schedule Coincidence Factor	5	0.269	0.443	0.424	0.678	0.684	0.663	0.800	0.935	0.927	0.609	0.523	0.241	0.600 avg
Sched PK @ Meter (KW)	6	149	243	213	346	349	375	459	481	457	279	221	88	3,660
Sched PK @ Input (KW)	7	161	264	231	376	378	406	498	521	496	302	239	96	3,969
System Coincidence Factor	8	0.624	0.728	0.721	0.800	0.950	1.000	1.000	0.813	0.812	0.772	0.753	0.594	0.797 avg
Coincident PK @ Input (KW)	9	101	192	167	300	359	406	498	424	402	233	180	57	3,320
<b>5. Area St Lights ***</b>														
KWH @ Meter **	1	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	1,311	15,732
KWH @ Input	2	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	1,388	16,656
Load Factor (PU)**	3	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.4600	0.460 avg
Max Cust Demand (KW) calc	4	25	27	25	26	25	26	25	25	27	26	27	26	309
Schedule Coincidence Factor	5	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000 avg
Sched PK @ Meter (KW)	6	25	27	25	26	25	26	25	25	27	26	27	26	309
Sched PK @ Input (KW)	7	27	30	27	28	27	28	27	27	29	28	29	28	335
System Coincidence Factor	8	0.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.000 avg
Coincident PK @ Input (KW)	9	0	30	27	28	0	0	0	0	0	0	29	0	114
<b>Tot Estimated AZ CP Kw @input =</b>		<b>9,902</b>	<b>8,470</b>	<b>8,604</b>	<b>8,051</b>	<b>9,384</b>	<b>13,185</b>	<b>11,764</b>	<b>10,684</b>	<b>9,852</b>	<b>6,995</b>	<b>8,954</b>	<b>10,616</b>	<b>116,461</b>
<b>SUMMARY Est Loads AZ</b>														
KWH @ Meter		41,508,737	30,545,691	5,112,907	4,482,848	1,351,559	15,732							
KWH @ Input		43,961,256	32,350,469	5,415,001	4,747,716	1,431,414	16,656							
Max Cust Dem-NCP mo (kw)		26,345	21,937	2,212	1,595	574	27							
Distr In transf design CF *			0.86	1	1	1	1							
MCD (kw) X DCF		23,274	18,866	2,212	1,595	574	27							
Sched Pk Month @ Input (kw)		15,231	11,898	1,376	1,406	521	30							
<b>AZ 12CP @ Input (KW)</b>		<b>116,461</b>	<b>87,930</b>	<b>11,633</b>	<b>13,464</b>	<b>3,320</b>	<b>114</b>							
<b>UT 12CP @ Input (KW)</b>		<b>1,268,204</b>	<b>1,384,665</b>											
<b>UT MCD x DCF (KW)</b>		<b>159,458</b>	<b>182,732</b>											

\* Distr In transf design coincidence factor (DCF) based on # of custs/transf to allow for diversity

\*\* INPUT VALUES

\*\*\* All lighting - dusk to dawn and based on estimated 4040 annual burning hours

Loss factors shown below were used to adjust loads to input level for development of allocation factors to allocate costs between UT & AZ since some UT loads take primary delivery voltage and this puts all loads on the same level (input)

1.08440 = Demand Loss Factor (sec) \*\*  
1.05910 = Energy Loss Factor (sec)

Schedule & System coincidence factors were developed using load research data from Rocky Mtn. Power

**DIXIE ESCALANTE REA INC.  
DEVELOPMENT OF LIGHTING COINCIDENCE FACTORS  
COST OF SERVICE STUDY - ARIZONA  
TEST YEAR ENDED DECEMBER 31, 2021**

Schedule G-7.4

**SUNRISE-SUNSET ANALYSIS**

ALL MOUNTAIN TIMES  
at St. George, Utah

Deseret System Peak

Hour Ending**		sunrise am*	sunset pm*	Lts On*** ?	Lighting Syst CF
9:00 AM	2-Jan-15	7:48 AM		no	0
8:00 AM	23-Feb-15	7:13 AM		ON	1
8:00 AM	15-Mar-15	7:46 AM		ON	1
9:00 PM	30-Apr-15		8:23 PM	ON	1
6:00 PM	31-May-15		8:48 PM	no	0
6:00 PM	29-Jun-15		8:58 PM	no	0
5:00 PM	1-Jul-15		8:58 PM	no	0
4:00 PM	17-Aug-15		8:24 PM	no	0
5:00 PM	1-Sep-15		8:03 PM	no	0
6:00 PM	12-Oct-15		7:02 PM	no	0
8:00 AM	30-Nov-15	7:28 AM		ON	1
9:00 AM	30-Dec-15	7:47 AM		no	0

\* Source: Sunrise & Sunset times from: [www.timeanddate.com](http://www.timeanddate.com)

\*\* Deseret System Peak is highest 1 hour per Mike Avant, Garkane Energy

\*\*\* Assume light photocells operate 30 minutes after sunrise and 30 minutes before sunset

# **H Schedules**

**DIXIE ESCALANTE REA INC.  
SUMMARY OF REVENUES BY CUSTOMER CLASS  
PRESENT AND PROPOSED RATES  
TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY**

**SCHEDULE H-1**

	<b>REVENUES IN TEST YEAR</b>		<b>PROPOSED</b>	
	<b>PRESENT</b>	<b>PROPOSED</b>	<b>INCREASE</b>	<b>PERCENTAGE</b>
			<b>AMOUNT</b>	
<b><u>AZ</u></b>				
RESIDENTIAL	2,549,843	2,851,505	301,662	11.83%
SMALL COMMERCIAL	408,147	452,340	44,193	10.83%
LARGE COMMERCIAL	320,770	340,143	19,373	6.04%
IRRIGATION	98,257	108,756	10,499	10.69%
STREET/AREA LIGHTS	23,744	20,376	(3,368)	-14.18%
<b>TOTAL (a)</b>	<b>3,400,761</b>	<b>3,773,121</b>	<b>372,360</b>	<b>10.95%</b>

**SUPPORTING SCHEDULES:**  
H-2

**RECAP SCHEDULES:**  
(a) A-1

2021 Actual Revenue, Usage, and Customers by Rate

**Actual Units and Revenue**

Class	Rate Type	kWh	kW	Customers	Lights	kWh Charge	kW Charge	Facilities Charge	Light Charge	Minimum Charge	MISC Charge	Total Charge	Average Rate
ALA	AREA LIGHT	117,022	0	0	1,698	-	-	-	23,744.00	-	-	23,744.00	13.9835
<b>ALA Total</b>		117,022	0	0	1,698	-	-	-	23,744.00	-	-	23,744.00	
IRPA	FACILITIES CHARGE	0	0	132	0	-	-	6,600.00	-	-	-	6,600.00	50.0000
IRPA	DEMAND CHARGE	0	6,019	0	0	-	-	-	-	-	-	-	-
IRPA	ENERGY CHARGE	1,351,559	0	0	0	91,657.00	-	-	-	-	-	91,657.00	0.0678
<b>IRPA Total</b>		1,351,559	6,019	132	0	91,657.00	-	6,600.00	-	-	-	98,257.00	
LCMA	FACILITIES CHARGE	0	0	120	0	-	-	6,000.00	-	-	-	6,000.00	50.0000
LCMA	DEMAND CHARGE	0	18,062	0	0	-	180,623.00	-	-	-	-	180,623.00	10.0002
LCMA	ENERGY CHARGE	4,477,880	0	0	0	134,147.00	-	-	-	-	-	134,147.00	0.0300
<b>LCMA Total</b>		4,477,880	18,062	120	0	134,147.00	180,623.00	6,000.00	-	-	-	320,770.00	
NMCA	FACILITIES CHARGE	0	0	12	0	-	-	389.00	-	-	-	389.00	32.4167
NMCA	DEMAND CHARGE	0	65	0	0	-	-	-	-	-	-	-	-
NMCA	ENERGY CHARGE	5,802	0	0	0	139.00	-	-	-	-	-	139.00	0.0240
<b>NMCA Total</b>		5,802	65	12	0	139.00	-	389.00	-	-	-	528.00	
NMRA	DEMAND CHARGE	0	0	36	0	-	-	819.00	-	-	-	819.00	22.7500
NMRA	DEMAND MIN	0	304	0	0	-	-	-	-	-	-	-	-
NMRA	ENERGY CHARGE	93,029	0	0	0	2,297.00	-	-	-	-	-	2,297.00	0.0247
<b>NMRA Total</b>		93,029	304	36	0	2,297.00	-	819.00	-	-	-	3,116.00	
RESA	FACILITIES CHARGE	0	0	29,064	0	-	-	725,646.00	-	-	-	725,646.00	24.9672
RESA	DEMAND CHARGE	0	220,426	0	0	-	-	-	-	-	-	-	-
RESA	ENERGY CHARGE	30,375,977	0	0	0	1,821,081.00	-	-	-	-	-	1,821,081.00	0.0600
<b>RESA Total</b>		30,375,977	220,426	29,064	0	1,821,081.00	-	725,646.00	-	-	-	2,546,727.00	
SCMA	FACILITIES CHARGE	0	0	3,481	0	-	-	103,722.00	-	-	-	103,722.00	29.7966
SCMA	DEMAND CHARGE	0	2,469	0	0	-	24,690.00	-	-	-	-	24,690.00	10.0000
SCMA	ENERGY CHARGE	5,087,468	0	0	0	279,207.00	-	-	-	-	-	279,207.00	0.0549
<b>SCMA Total</b>		5,087,468	2,469	3,481	0	279,207.00	24,690.00	103,722.00	-	-	-	407,619.00	
<b>Grand Total</b>		41,508,737	247,345	32,845	1,698	2,328,528.00	205,313.00	843,176.00	23,744.00	-	-	3,400,761.00	

**2021 Test Year Rate Reconciliation (Includes February 1, 2021 Purchased Power Adjustor)**

Class	Rate Type	kWh	kW	Customers	Lights	kWh Rate	kW Rate	Facilities Rate	Light Rate	Minimum Rate	MISC Rate	Calculated Rev	Actual Rev	Difference
ALA	AREA LIGHT	117,022	0	0	1,698	-	-	-	12.00	-	-	20,376.00	23,744.00	(3,368.00)
<b>ALA Total</b>		117,022	0	0	1,698	-	-	-	12.00	-	-	20,376.00	23,744.00	(3,368.00)
IRPA	FACILITIES CHARGE	0	0	132	0	-	-	50.00	-	-	-	6,600.00	6,600.00	-
IRPA	DEMAND CHARGE	0	6,019	0	0	-	-	-	-	-	-	-	-	-
IRPA	ENERGY CHARGE	1,351,559	0	0	0	0.07	-	-	-	-	-	91,669.49	91,657.00	12.49
<b>IRPA Total</b>		1,351,559	6,019	132	0	0.07	-	50.00	-	-	-	98,269.49	98,257.00	12.49
LCMA	FACILITIES CHARGE	0	0	120	0	-	-	50.00	-	-	-	6,000.00	6,000.00	-
LCMA	DEMAND CHARGE	0	18,062	0	0	-	10.00	-	-	-	-	180,620.00	180,623.00	(3.00)
LCMA	ENERGY CHARGE	4,477,880	0	0	0	0.03	-	-	-	-	-	134,336.40	134,147.00	189.40
<b>LCMA Total</b>		4,477,880	18,062	120	0	0.03	10.00	50.00	-	-	-	320,956.40	320,770.00	186.40
NMCA	FACILITIES CHARGE	0	0	12	0	-	-	30.00	-	-	-	360.00	389.00	(29.00)
NMCA	DEMAND CHARGE	0	65	0	0	-	-	-	-	-	-	-	-	-
NMCA	ENERGY CHARGE	5,802	0	0	0	0.03	-	-	-	-	-	174.06	139.00	35.06
<b>NMCA Total</b>		5,802	65	12	0	0.03	-	30.00	-	-	-	534.06	528.00	6.06
NMRA	DEMAND CHARGE	0	0	36	0	-	-	25.00	-	-	-	900.00	819.00	81.00
NMRA	DEMAND MIN	0	304	0	0	-	-	-	-	-	-	-	-	-
NMRA	ENERGY CHARGE	93,029	0	0	0	0.03	-	-	-	-	-	2,325.73	2,297.00	28.72
<b>NMRA Total</b>		93,029	304	36	0	0.03	-	25.00	-	-	-	3,225.73	3,116.00	109.73
RESA	FACILITIES CHARGE	0	0	29,064	0	-	-	25.00	-	-	-	726,600.00	725,646.00	954.00
RESA	DEMAND CHARGE	0	220,426	0	0	-	-	-	-	-	-	-	-	-
RESA	ENERGY CHARGE	30,375,977	0	0	0	0.06	-	-	-	-	-	1,822,558.62	1,821,081.00	1,477.62
<b>RESA Total</b>		30,375,977	220,426	29,064	0	0.06	-	25.00	-	-	-	2,549,158.62	2,546,727.00	2,431.62
SCMA	FACILITIES CHARGE	0	0	3,481	0	-	-	30.00	-	-	-	104,430.00	103,722.00	708.00
SCMA	DEMAND CHARGE	0	2,469	0	0	-	10.00	-	-	-	-	24,690.00	24,690.00	-
SCMA	ENERGY CHARGE	5,087,468	0	0	0	0.05	-	-	-	-	-	277,267.01	279,207.00	(1,939.99)
<b>SCMA Total</b>		5,087,468	2,469	3,481	0	0.05	10.00	30.00	-	-	-	406,387.01	407,619.00	(1,231.99)
<b>Grand Total</b>		41,508,737	247,345	32,845	1,698	0.27	20.00	210.00	12.00	-	-	3,398,907.30	3,400,761.00	(1,853.70)

**Proposed Rate Revenue Calculation**

Class	Rate Type	kWh	kW	Customers	Lights	kWh Rate	kW Rate	Facilities Rate	Light Rate	Minimum Rate	MISC Rate	Proposed Rev	Calculated Rev	Difference	% Increase
ALA	AREA LIGHT	117,022	0	0	1,698	-	-	-	12.00	-	-	20,376.00	20,376.00	-	0.00%
<b>ALA Total</b>		117,022	0	0	1,698	-	-	-	12.00	-	-	20,376.00	20,376.00	-	0.00%
IRPA	FACILITIES CHARGE	0	0	132	0	-	-	60.00	-	-	-	7,920.00	6,600.00	1,320.00	20.00%
IRPA	DEMAND CHARGE	0	6,019	0	0	-	-	-	-	-	-	-	-	-	0.00%
IRPA	ENERGY CHARGE	1,351,559	0	0	0	0.07	-	-	-	-	-	100,836.44	91,669.49	9,166.95	10.00%
<b>IRPA Total</b>		1,351,559	6,019	132	0	0.07	-	60.00	-	-	-	108,756.44	98,269.49	10,486.95	10.67%
LCMA	FACILITIES CHARGE	0	0	120	0	-	-	60.00	-	-	-	7,200.00	6,000.00	1,200.00	20.00%
LCMA	DEMAND CHARGE	0	18,062	0	0	-	10.50	-	-	-	-	189,651.00	180,620.00	9,031.00	5.00%
LCMA	ENERGY CHARGE	4,477,880	0	0	0	0.03	-	-	-	-	-	143,292.16	134,336.40	8,955.76	6.67%
<b>LCMA Total</b>		4,477,880	18,062	120	0	0.03	10.50	60.00	-	-	-	340,143.16	320,956.40	19,186.76	5.98%
NMCA	FACILITIES CHARGE	0	0	12	0	-	-	39.00	-	-	-	468.00	360.00	108.00	30.00%
NMCA	DEMAND CHARGE	0	65	0	0	-	-	-	-	-	-	-	-	-	0.00%
NMCA	ENERGY CHARGE	5,802	0	0	0	0.04	-	-	-	-	-	203.07	174.06	29.01	16.67%
<b>NMCA Total</b>		5,802	65	12	0	0.04	-	39.00	-	-	-	671.07	534.06	137.01	25.65%
NMRA	DEMAND CHARGE	0	0	36	0	-	-	29.00	-	-	-	1,044.00	900.00	144.00	16.00%
NMRA	DEMAND MIN	0	304	0	0	-	-	-	-	-	-	-	-	-	0.00%
NMRA	ENERGY CHARGE	93,029	0	0	0	0.03	-	-	-	-	-	2,790.87	2,325.73	465.15	20.00%
<b>NMRA Total</b>		93,029	304	36	0	0.03	-	29.00	-	-	-	3,834.87	3,225.73	609.15	18.88%
RESA	FACILITIES CHARGE	0	0	29,064	0	-	-	29.00	-	-	-	842,856.00	726,600.00	116,256.00	16.00%
RESA	DEMAND CHARGE	0	220,426	0	0	-	-	-	-	-	-	-	-	-	0.00%
RESA	ENERGY CHARGE	30,375,977	0	0	0	0.07	-	-	-	-	-	2,004,814.48	1,822,558.62	182,255.86	10.00%
<b>RESA Total</b>		30,375,977	220,426	29,064	0	0.07	-	29.00	-	-	-	2,847,670.48	2,549,158.62	298,511.86	11.71%
SCMA	FACILITIES CHARGE	0	0	3,481	0	-	-	39.00	-	-	-	135,759.00	104,430.00	31,329.00	30.00%
SCMA	DEMAND CHARGE	0	2,469	0	0	-	10.50	-	-	-	-	25,924.50	24,690.00	1,234.50	5.00%
SCMA	ENERGY CHARGE	5,087,468	0	0	0	0.06	-	-	-	-	-	289,985.68	277,267.01	12,718.67	4.59%
<b>SCMA Total</b>		5,087,468	2,469	3,481	0	0.06	10.50	39.00	-	-	-	451,669.18	406,387.01	45,282.17	11.14%
<b>Grand Total</b>		41,508,737	247,345	32,845	1,698	0.29	21.00	256.00	12.00	-	-	3,773,121.20	47,030,948.18	374,213.90	0.80%

**DIXIE ESCALANTE REA INC.**  
**CHANGE IN REPRESENTATIVE RATE SCHEDULES**  
**ANALYSIS OF REVENUE BY DETAIL CLASS - AZ and UT**

**SCHEDULE H-3**

<b>RATE SCHEDULE</b>	<b><u>BLOCK</u></b>	<b>RATES PRESENT (a)</b>	<b>RATES PROPOSED</b>	<b>CHANGE</b>
<b><u>RESIDENTIAL</u></b>				
RESU (UT)	per kWh Oct-May	0.0620	0.0660	0.0040
	per kWh Jun-Sep	0.0620	0.0660	0.0040
	Facilities Service Charge	25.00	29.00	4.00
RESA (AZ)	per kWh Oct-May	0.0625	0.0660	0.0035
	per kWh Jun-Sep	0.0625	0.0660	0.0035
	Facilities Service Charge	25.00	29.00	4.00
RESU ToD (UT) Optional	Off-Peak per kWh Oct-May	0.0620	0.0660	0.0040
	On-Peak per kWh Oct-May	0.0620	0.0660	0.0040
	Off-Peak per kWh Jun-Sep	0.0620	0.0500	(0.0120)
	On-Peak per kWh Jun-Sep	0.0620	0.1000	0.0380
	Facilities Service Charge	25.00	29.00	4.00
RESA ToD (AZ) Optional	Off-Peak per kWh Oct-May	0.0625	0.0660	0.0035
	On-Peak per kWh Oct-May	0.0625	0.0660	0.0035
	Off-Peak per kWh Jun-Sep	0.0625	0.0500	(0.0125)
	On-Peak per kWh Jun-Sep	0.0625	0.1000	0.0375
	Facilities Service Charge	25.00	29.00	4.00
<b><u>SMALL COMMERCIAL</u></b>				
VSCU (UT) 0-60 Amps	per kWh Oct-May	0.0620	0.0660	0.0040
	per kWh Jun-Sep	0.0620	0.0660	0.0040
	Facilities Service Charge	25.00	29.00	4.00
VSCA (AZ) 0-100 Amps this is a new rate	per kWh Oct-May	0.0575	0.0660	0.0085
	per kWh Jun-Sep	0.0575	0.0660	0.0085
	Facilities Service Charge	30.00	29.00	(1.00)
	FIRST 20 kW	-	-	-
	ADDITIONAL kW	10.00	-	(10.00)
SCMU (UT)	per kWh Oct-May	0.0570	0.0570	-
	per kWh Jun-Sep	0.0570	0.0570	-
	FIRST 20 kW	-	-	-
	ADDITIONAL kW	10.00	10.50	0.50
	Facilities Service Charge	30.00	39.00	9.00
SCMA (AZ)	per kWh Oct-May	0.0575	0.0570	(0.0005)
	per kWh Jun-Sep	0.0575	0.0570	(0.0005)
	FIRST 20 kW	-	-	-
	ADDITIONAL kW	10.00	10.50	0.50
	Facilities Service Charge	30.00	39.00	9.00
<b><u>LARGE COMMERCIAL</u></b>				
LCMU (UT)	per kWh Oct-May	0.0320	0.0320	-
	per kWh Jun-Sep	0.0320	0.0320	-
	ALL kW	10.00	10.50	0.50
	Facilities Service Charge	50.00	60.00	10.00
LCMA (AZ)	per kWh Oct-May	0.0325	0.0320	(0.0005)
	per kWh Jun-Sep	0.0325	0.0320	(0.0005)
	All kW	10.00	10.50	0.50
	Facilities Service Charge	50.00	60.00	10.00

LCMU ToU (UT) Optional	Off-Peak kWh	0.0320	0.0320	-
	On-Peak 0 to 20 kWh per kW	0.0320	0.3000	0.2680
	On-Peak Over 20 kWh per kW	0.0320	0.0320	-
	All kW	10.00	5.00	(5.00)
	Facilities Service Charge	50.00	60.00	10.00
LCMA ToU (AZ) Optional	Off-Peak kWh	0.0325	0.0320	(0.0005)
	On-Peak 0 to 20 kWh per kW	0.0325	0.3000	0.2675
	On-Peak Over 20 kWh per kW	0.0325	0.0320	(0.0005)
	All kW	10.00	5.00	(5.00)
	Facilities Service Charge	50.00	60.00	10.00
<b><u>IRRIGATION</u></b>				
IRPU (UT)	0 to 134 kWh per kW	0.0891	0.0896	0.0005
	Over 134 kWh per kW	0.0511	0.0561	0.0050
	Facilities Service Charge	50.00	60.00	10.00
IRPA (AZ)	0 to 134 kWh per kW	0.0856	0.0896	0.0040
	Over 134 kWh per kW	0.0516	0.0561	0.0045
	Facilities Service Charge	50.00	60.00	10.00
<b><u>INTERUPTABLE IRRIGATION</u></b>				
IIPU (UT)	0 to 134 kWh per kW	0.0708	0.0673	(0.0035)
	Over 134 kWh per kW	0.0455	0.0455	-
	Facilities Service Charge	50.00	60.00	10.00
<b><u>OFF PEAK</u></b>				
OFPU (UT)	ALL kWh	0.0320	0.0320	-
	kW - ON PEAK HOURS	30.00	12.50	(17.5000)
	kW - OFF PEAK HOURS	5.00	5.00	-
	Facilities Service Charge	50.00	60.00	10.00
OFPA (AZ)	ALL kWh	0.0325	0.0320	(0.0005)
	kW - ON PEAK HOURS	30.00	12.50	(17.50)
	kW - OFF PEAK HOURS	5.00	5.00	-
	Facilities Service Charge	50.00	60.00	10.00
<b><u>STREET/AREA LIGHTING</u></b>				
ALU (UT)	CHARGE PER LIGHT	12.00	12.00	-
UT HWY (UT)	CHARGE PER LIGHT	14.88	14.88	-
ALA (AZ)	CHARGE PER LIGHT	14.00	12.00	(2.00)
AZ HWY (AZ)	CHARGE PER LIGHT	14.88	14.88	-
<b><u>INDUSTRIAL</u></b>				
IND (UT)	This is a contractual rate for each Industrial customer.			
IND (AZ)	This is a contractual rate for each Industrial customer.			
<b><u>HIGH DENSITY</u></b>				
HD (UT)	This is a contractual rate for each High Density customer.			
HD (AZ)	This is a contractual rate for each High Density customer.			

(a) Present rates for Utah are rates prior to revisions effective March 1, 2023

(a) Present rates for both Utah and Arizona include February 2023 Adjuster

**DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS**

**SCHEDULE H-4  
Page 1 of 9**

<u>RESIDENTIAL</u>	<u>MONTHLY</u>		<u>MONTHLY BILL</u>		
	<u>KWH</u>	<u>PRESENT ( a )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
RESA (AZ)	60	28.75	32.96	4.21	14.64%
	100	31.25	35.60	4.35	13.92%
	200	37.50	42.20	4.70	12.53%
	500	56.25	62.00	5.75	10.22%
	775	73.44	80.15	6.71	9.14%
	1000	87.50	95.00	7.50	8.57%
	1500	118.75	128.00	9.25	7.79%
	2000	150.00	161.00	11.00	7.33%
	2500	181.25	194.00	12.75	7.03%
	3000	212.50	227.00	14.50	6.82%
	4000	275.00	293.00	18.00	6.55%
	5000	337.50	359.00	21.50	6.37%

( a ) Present rates include February 2023 adjustor

**DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS**

**SCHEDULE H-4  
Page 2 of 9**

<u>RESIDENTIAL</u>	<u>MONTHLY</u>		<u>MONTHLY BILL</u>		
	<u>kWH ( a )</u>	<u>PRESENT ( b )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
RESA ToD (AZ)	60	28.75	32.45	3.70	12.87%
	100	31.25	34.75	3.50	11.20%
	200	37.50	40.50	3.00	8.00%
	500	56.25	57.75	1.50	2.67%
	775	73.44	73.56	0.13	0.17%
	1000	87.50	86.50	(1.00)	-1.14%
	1500	118.75	115.25	(3.50)	-2.95%
	2000	150.00	144.00	(6.00)	-4.00%
	2500	181.25	172.75	(8.50)	-4.69%
	3000	212.50	201.50	(11.00)	-5.18%
	4000	275.00	259.00	(16.00)	-5.82%
	5000	337.50	316.50	(21.00)	-6.22%

( a ) Assumes 15% on peak & 85% off peak @ Summer rate

( b ) Present rates include February 2023 adjustor

DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS

SCHEDULE H-4  
Page 3 of 9

<u>VERY SMALL COMMEF</u>	<u>KW</u>	<u>KWH</u>	<u>MONTHLY BILL</u>			
			<u>PRESENT ( a )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
VSCA (AZ)	< 20	500	58.75	62.00	3.25	5.53%
	< 20	750	73.13	78.50	5.38	7.35%
	< 20	1000	87.50	95.00	7.50	8.57%
	< 20	1250	101.88	111.50	9.63	9.45%
	< 20	1500	116.25	128.00	11.75	10.11%
	< 20	2000	145.00	161.00	16.00	11.03%
	< 20	2500	173.75	194.00	20.25	11.65%
	< 20	2750	188.13	210.50	22.38	11.89%
	< 20	3000	202.50	227.00	24.50	12.10%
	< 20	3250	216.88	243.50	26.63	12.28%
	< 20	3500	231.25	260.00	28.75	12.43%
	< 20	3750	245.63	276.50	30.88	12.57%
	21	4000	270.00	293.00	23.00	8.52%
	22	4250	294.38	309.50	15.13	5.14%
	23	4750	333.13	342.50	9.38	2.81%
	24	5000	357.50	359.00	1.50	0.42%
	25	5250	381.88	375.50	-6.38	-1.67%
	26	5500	406.25	392.00	-14.25	-3.51%
	27	5750	430.63	408.50	-22.13	-5.14%
	28	6000	455.00	425.00	-30.00	-6.59%
	29	6250	479.38	441.50	-37.88	-7.90%
	30	6500	503.75	458.00	-45.75	-9.08%

( a ) Present rates include February 2023 adjustor

DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS

SMALL COMMERCIAL SCMA (AZ)	KW	KWH	MONTHLY BILL			
			PRESENT ( a )	PROPOSED	\$ INCREASE	% INCREASE
	< 20	500	58.75	67.50	8.75	14.89%
	< 20	750	73.13	81.75	8.63	11.79%
	< 20	1000	87.50	96.00	8.50	9.71%
	< 20	1250	101.88	110.25	8.38	8.22%
	< 20	1500	116.25	124.50	8.25	7.10%
	< 20	2000	145.00	153.00	8.00	5.52%
	< 20	2500	173.75	181.50	7.75	4.46%
	< 20	2750	188.13	195.75	7.63	4.05%
	< 20	3000	202.50	210.00	7.50	3.70%
	< 20	3250	216.88	224.25	7.38	3.40%
	< 20	3500	231.25	238.50	7.25	3.14%
	< 20	3750	245.63	252.75	7.13	2.90%
	21	4000	270.00	277.50	7.50	2.78%
	22	4250	294.38	302.25	7.88	2.68%
	23	4750	333.13	341.25	8.13	2.44%
	24	5000	357.50	366.00	8.50	2.38%
	25	5250	381.88	390.75	8.88	2.32%
	26	5500	406.25	415.50	9.25	2.28%
	27	5750	430.63	440.25	9.63	2.24%
	28	6000	455.00	465.00	10.00	2.20%
	29	6250	479.38	489.75	10.38	2.16%
	30	6500	503.75	514.50	10.75	2.13%
	31	6750	528.13	539.25	11.13	2.11%
	32	7000	552.50	564.00	11.50	2.08%
	33	7250	576.88	588.75	11.88	2.06%
	34	7500	601.25	613.50	12.25	2.04%
	35	7750	625.63	638.25	12.63	2.02%
	36	8000	650.00	663.00	13.00	2.00%
	37	8250	674.38	687.75	13.38	1.98%
	38	8500	698.75	712.50	13.75	1.97%
	39	8750	723.13	737.25	14.13	1.95%
	40	9000	747.50	762.00	14.50	1.94%
	41	9250	771.88	786.75	14.88	1.93%
	42	9500	796.25	811.50	15.25	1.92%
	43	9750	820.63	836.25	15.63	1.90%
	44	10000	845.00	861.00	16.00	1.89%
	45	10250	869.38	885.75	16.38	1.88%
	46	10500	893.75	910.50	16.75	1.87%
	47	10750	918.13	935.25	17.13	1.87%
	48	11000	942.50	960.00	17.50	1.86%
	49	11250	966.88	984.75	17.88	1.85%

( a ) Present rates include February 2023 adjutor

**DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS**

**SCHEDULE H-4  
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<u>LARGE COMMERCIAL</u>	<u>MONTHLY KW</u>	<u>MONTHLY KWH</u>	<u>PRESENT ( a )</u>	<u>MONTHLY BILL</u>		
				<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
LCMA (AZ)	10	2,000	215.00	229.00	14.00	6.51%
	16	3,161	310.78	327.10	16.32	5.25%
	20	4,000	380.00	398.00	18.00	4.74%
	25	5,000	462.50	482.50	20.00	4.32%
	50	10,000	875.00	905.00	30.00	3.43%
	75	15,000	1,287.50	1,327.50	40.00	3.11%
	100	20,000	1,700.00	1,750.00	50.00	2.94%
	125	25,000	2,112.50	2,172.50	60.00	2.84%
	150	30,000	2,525.00	2,595.00	70.00	2.77%
	175	35,000	2,937.50	3,017.50	80.00	2.72%
	200	40,000	3,350.00	3,440.00	90.00	2.69%
	225	45,000	3,762.50	3,862.50	100.00	2.66%
	250	50,000	4,175.00	4,285.00	110.00	2.63%
	500	100,000	8,300.00	8,510.00	210.00	2.53%
	931	186,120	15,404.90	15,787.14	382.24	2.48%
	1,250	250,000	20,675.00	21,185.00	510.00	2.47%

( a ) Present rates include February 2023 adjustor

**DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS**

**SCHEDULE H-4  
Page 6 of 9**

<u>LARGE COMMERCIAL</u>	<u>MONTHLY KW</u>	<u>MONTHLY KWH ( a )</u>	<u>MONTHLY BILL</u>			
			<u>PRESENT ( b )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
LCMA ToU (AZ)	10	2,000	215.00	227.60	12.60	5.86%
	16	3,161	310.78	324.89	14.11	4.54%
	20	4,000	380.00	395.20	15.20	4.00%
	25	5,000	462.50	479.00	16.50	3.57%
	50	10,000	875.00	898.00	23.00	2.63%
	75	15,000	1,287.50	1,317.00	29.50	2.29%
	100	20,000	1,700.00	1,736.00	36.00	2.12%
	125	25,000	2,112.50	2,155.00	42.50	2.01%
	150	30,000	2,525.00	2,574.00	49.00	1.94%
	175	35,000	2,937.50	2,993.00	55.50	1.89%
	200	40,000	3,350.00	3,412.00	62.00	1.85%
	225	45,000	3,762.50	3,831.00	68.50	1.82%
	250	50,000	4,175.00	4,250.00	75.00	1.80%
	500	100,000	8,300.00	8,440.00	140.00	1.69%
	931	186,120	15,404.90	15,656.86	251.96	1.64%
	1,250	250,000	20,675.00	21,010.00	335.00	1.62%

- ( a ) Assumes 10% on peak & 90% off peak
- ( b ) Present rates include February 2023 adjustor

DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS

SCHEDULE H-4  
Page 7 of 9

<u>IRRIGATION</u>	MONTHLY	MONTHLY	MONTHLY BILL			
	<u>KW</u>	<u>KWH</u>	<u>PRESENT ( a )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
IRPA (AZ)	20	10,000	657.12	710.78	53.66	8.17%
	30	15,000	960.68	1,036.17	75.49	7.86%
	40	20,000	1,264.24	1,361.56	97.32	7.70%
	50	25,000	1,567.80	1,686.95	119.15	7.60%
	60	30,000	1,871.36	2,012.34	140.98	7.53%
	70	35,000	2,174.92	2,337.73	162.81	7.49%
	80	40,000	2,478.48	2,663.12	184.64	7.45%
	90	45,000	2,782.04	2,988.51	206.47	7.42%
	100	50,000	3,085.60	3,313.90	228.30	7.40%
	120	60,000	3,692.72	3,964.68	271.96	7.36%
	140	70,000	4,299.84	4,615.46	315.62	7.34%
	160	80,000	4,906.96	5,266.24	359.28	7.32%
	180	90,000	5,514.08	5,917.02	402.94	7.31%
	200	100,000	6,121.20	6,567.80	446.60	7.30%
	250	125,000	7,639.00	8,194.75	555.75	7.28%
	300	150,000	9,156.80	9,821.70	664.90	7.26%

( a ) Present rates include February 2023 adjustor

DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS

SCHEDULE H-4  
Page 8 of 9

<u>OFF PEAK</u> OFPA (AZ)	<u>MONTHLY</u> <u>KW</u>	<u>MONTHLY</u> <u>KWH</u>	<u>MONTHLY BILL</u>			
			<u>PRESENT ( a )</u>	<u>PROPOSED</u>	<u>\$ INCREASE</u>	<u>% INCREASE</u>
	3	500	78.75	88.50	9.75	12.38%
	5	1,000	107.50	117.00	9.50	8.84%
	8	1,500	136.25	145.50	9.25	6.79%
	10	2,000	165.00	174.00	9.00	5.45%
	13	2,500	193.75	202.50	8.75	4.52%
	25	5,000	337.50	345.00	7.50	2.22%
	50	10,000	625.00	630.00	5.00	0.80%
	75	15,000	912.50	915.00	2.50	0.27%
	100	20,000	1,200.00	1,200.00	-	0.00%
	150	30,000	1,775.00	1,770.00	(5.00)	-0.28%
	200	40,000	2,350.00	2,340.00	(10.00)	-0.43%
	250	50,000	2,925.00	2,910.00	(15.00)	-0.51%
	375	75,000	4,362.50	4,335.00	(27.50)	-0.63%
	500	100,000	5,800.00	5,760.00	(40.00)	-0.69%

( a ) Present rates include February 2023 adjustor

**DIXIE ESCALANTE REA INC.  
TYPICAL BILL ANALYSIS**

**SCHEDULE H-4  
Page 9 of 9**

<u>STREET/AREA LIGHTING</u>	<u>MONTHLY CHARGE</u>	<u>PRESENT</u>	<u>MONTHLY BILL PROPOSED</u>	<u>\$ INCREASE</u>
ALA (AZ)	12.00	14.00	12.00	(2.00)
AZ HWY (AZ)	14.88	14.88	14.88	-

DIXIE ESCALANTE REA INC.  
 BILL COUNT  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

SCHEDULE H5-1

RESIDENTIAL

BLOCK	KWH		CUMULATIVE BILLS		CUMULATIVE KWH USAGE	
	NUMBER OF BILLS	BY BLOCK	NUMBER	% OF TOTAL	AMOUNT	% OF TOTAL
MIN	629	-	629	2.16%	-	0.00%
1-50	1,178	26,078	1,807	6.20%	26,078	0.09%
51-100	983	74,670	2,790	9.57%	100,748	0.33%
101-200	1,612	238,583	4,402	15.11%	339,331	1.11%
201-300	1,439	360,934	5,841	20.04%	700,265	2.30%
301-400	1,466	513,269	7,307	25.07%	1,213,534	3.98%
401-500	1,628	733,278	8,935	30.66%	1,946,812	6.39%
501-600	1,718	946,673	10,653	36.56%	2,893,485	9.50%
601-700	1,541	1,001,800	12,194	41.84%	3,895,285	12.79%
701-800	1,688	1,265,294	13,882	47.64%	5,160,579	16.95%
801-900	1,559	1,325,920	15,441	52.99%	6,486,499	21.30%
901-1000	1,390	1,319,624	16,831	57.76%	7,806,123	25.63%
1001-1200	2,622	2,879,422	19,453	66.75%	10,685,545	35.09%
1201-1400	2,098	2,717,751	21,551	73.95%	13,403,296	44.01%
1401-1600	1,653	2,476,919	23,204	79.62%	15,880,215	52.15%
1601-2000	2,289	4,086,378	25,493	87.48%	19,966,593	65.57%
2001 & UP	3,649	10,486,069	29,142	100.00%	30,452,662	100.00%
	<b>29,142</b>	<b>30,452,662</b>				

AVERAGE NUMBER OF CUSTOMERS **2,429**  
 AVERAGE KWH CONSUMPTION PER YEAR **12,537**  
 AVERAGE KWH CONSUMPTION PER MONTH **1,045**

**DIXIE ESCALANTE REA INC.  
 BILL COUNT  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY  
 IRRIGATION**

**SCHEDULE H5-2**

BLOCK	NUMBER OF BILLS	KWH BY BLOCK	CUMULATIVE BILLS		CUMULATIVE KWH USAGE	
			NUMBER	% OF TOTAL	AMOUNT	% OF TOTAL
MIN	5	-	5	3.79%	-	0.00%
1-1000	57	11,533	62	46.97%	11,533	0.85%
1001-2000	13	18,765	75	56.82%	30,298	2.24%
2001-3000	2	5,547	77	58.33%	35,845	2.65%
3001-4000	5	16,851	82	62.12%	52,696	3.90%
4001-5000	1	4,868	83	62.88%	57,564	4.26%
5001-6000	1	5,477	84	63.64%	63,041	4.66%
6001-7000	5	32,255	89	67.42%	95,296	7.05%
7001-8000	7	52,729	96	72.73%	148,025	10.95%
8001-9000	4	33,300	100	75.76%	181,325	13.42%
9001-10000	3	28,035	103	78.03%	209,360	15.49%
10001-20000	9	111,679	112	84.85%	321,039	23.75%
20001-30000	5	122,080	117	88.64%	443,119	32.79%
30001-40000	4	134,360	121	91.67%	577,479	42.73%
40001-50000	3	126,640	124	93.94%	704,119	52.10%
50001 & UP	8	647,440	132	100.00%	1,351,559	100.00%
	<b>132</b>	<b>1,351,559</b>				

**AVERAGE NUMBER OF CUSTOMERS 11**  
**AVERAGE KWH CONSUMPTION PER YEAR 122,869**  
**AVERAGE KWH CONSUMPTION PER MONTH 10,239**

DIXIE ESCALANTE REA INC.

BILL COUNT

SCHEDULE H5-3

TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

COMMERCIAL - SMALL

BLOCK	NUMBER OF BILLS	KWH BY BLOCK	CUMULATIVE BILLS		CUMULATIVE KWH USAGE	
			NUMBER	% OF TOTAL	AMOUNT	% OF TOTAL
MIN	344	-	344	9.89%	-	0.00%
1-50	271	5,523	615	17.67%	5,523	0.11%
51-100	243	18,161	858	24.66%	23,684	0.46%
101-200	290	42,233	1,148	32.99%	65,917	1.29%
201-300	246	61,389	1,394	40.06%	127,306	2.49%
301-400	189	66,822	1,583	45.49%	194,128	3.80%
401-500	182	82,474	1,765	50.72%	276,602	5.42%
501-600	155	84,838	1,920	55.17%	361,440	7.08%
601-700	119	77,100	2,039	58.59%	438,540	8.59%
701-800	79	59,114	2,118	60.86%	497,654	9.74%
801-900	62	52,742	2,180	62.64%	550,396	10.78%
901-1000	72	68,083	2,252	64.71%	618,479	12.11%
1001-1200	131	143,476	2,383	68.48%	761,955	14.92%
1201-1400	105	137,114	2,488	71.49%	899,069	17.60%
1401-1600	86	128,855	2,574	73.97%	1,027,924	20.13%
1601-2000	184	328,237	2,758	79.25%	1,356,161	26.55%
2001-3000	209	512,168	2,967	85.26%	1,868,329	36.58%
3001-4000	124	434,632	3,091	88.82%	2,302,961	45.09%
4001-5000	108	485,932	3,199	91.93%	2,788,893	54.61%
5001-6000	70	385,983	3,269	93.94%	3,174,876	62.17%
6001-7000	54	347,062	3,323	95.49%	3,521,938	68.96%
7001-8000	45	336,241	3,368	96.78%	3,858,179	75.55%
8001-9000	32	273,686	3,400	97.70%	4,131,865	80.90%
9001-10000	28	268,308	3,428	98.51%	4,400,173	86.16%
10001-20000	52	706,932	3,480	100.00%	5,107,105	100.00%
20001-30000	-	-	3,480	100.00%	5,107,105	100.00%
30001-40000	-	-	3,480	100.00%	5,107,105	100.00%
40001-50000	-	-	3,480	100.00%	5,107,105	100.00%
50001 AND UP	-	-	3,480	100.00%	5,107,105	100.00%
	<b>3,480</b>	<b>5,107,105</b>				

AVERAGE NUMBER OF CUSTOMERS  
 AVERAGE KWH CONSUMPTION PER YEAR  
 AVERAGE KWH CONSUMPTION PER MONTH

290  
 17,611  
 1,468

DIXIE ESCALANTE REA INC.  
 BILL COUNT  
 TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY  
 COMMERCIAL - LARGE

SCHEDULE H5-4

BLOCK	NUMBER OF BILLS	KWH BY BLOCK	CUMULATIVE BILLS		CUMULATIVE KWH USAGE	
			NUMBER	% OF TOTAL	AMOUNT	% OF TOTAL
MIN	-	-	-	0.00%	-	0.00%
1-30000	44	682,228	44	36.67%	682,228	15.22%
30001-40000	22	783,750	66	55.00%	1,465,978	32.70%
40001-50000	18	802,414	84	70.00%	2,268,392	50.60%
50001-100000	36	2,214,456	120	100.00%	4,482,848	100.00%
100001-150000	-	-	120	100.00%	4,482,848	100.00%
150001-200000	-	-	120	100.00%	4,482,848	100.00%
20001 & UP	-	-	120	100.00%	4,482,848	100.00%
	<b>120</b>	<b>4,482,848</b>				

AVERAGE NUMBER OF CUSTOMERS **10**  
 AVERAGE KWH CONSUMPTION PER YEAR **448,285**  
 AVERAGE KWH CONSUMPTION PER MONTH **37,357**

DIXIE ESCALANTE REA INC.

BILL COUNT

TEST YEAR ENDED DECEMBER 31, 2021 - AZ ONLY

OTHER

SCHEDULE H5-5

BLOCK	KWH		CUMULATIVE BILLS		CUMULATIVE KWH USAGE	
	<u>NUMBER</u>	<u>BY BLOCK</u>	<u>NUMBER</u>	<u>% OF TOTAL</u>	<u>AMOUNT</u>	<u>% OF TOTAL</u>
STREET LIGHTS	0	-	0	0%	-	0%
AVERAGE NUMBER OF CUSTOMERS					0	
AVERAGE KWH CONSUMPTION PER YEAR					-	
SECURITY LIGHTS	48	15,732	48	100%	15,732	100%
AVERAGE NUMBER OF CUSTOMERS					4	
AVERAGE KWH CONSUMPTION PER YEAR					3,933	

# **Attachment I**



# **DixiePower**

**ENERGIZING LIFE**

A Touchstone Energy<sup>®</sup> Cooperative

*The power of human connections<sup>®</sup>*



**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

**WITH REPORT OF**

**CERTIFIED PUBLIC ACCOUNTANTS**

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## **Independent Auditors' Report**

To the Board of Directors  
Dixie Escalante Rural Electric Association, Inc.  
Beryl, Utah

### ***Opinion***

We have audited the financial statements of Dixie Escalante Rural Electric Association, Inc. (a Utah non-profit corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Dixie Escalante Rural Electric Association, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dixie Escalante Rural Electric Association, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dixie Escalante Rural Electric Association, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when

it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dixie Escalante Rural Electric Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dixie Escalante Rural Electric Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

*HintonBurdick, PLLC*

HintonBurdick, PLLC  
St. George, Utah  
March 21, 2022

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**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Balance Sheets**

**December 31, 2021 and 2020**

---

<b>Assets</b>	<b>2021</b>	<b>2020</b>
<b>Utility plant - at cost</b>		
Electric plant in service	\$ 169,808,579	\$ 152,549,676
Under construction	26,517,331	15,848,470
Total	196,325,910	168,398,146
Less: Accumulated depreciation and amortization	(41,536,804)	(38,158,125)
Utility plant - net	154,789,106	130,240,021
<b>Other assets and investments</b>		
Investments in CFC and others	3,889,100	3,281,166
Total other assets and investments	3,889,100	3,281,166
<b>Current assets</b>		
Cash and cash equivalents	1,395,816	3,345,253
Accounts receivable - principally members (less allowance for doubtful accounts of \$45,678 in 2021 and \$122,888 in 2020)	4,022,200	4,712,950
Accounts receivable - other	455,987	217,893
Notes receivable - related party - due within one year	100,585	103,555
Materials and supplies	5,088,405	4,474,508
Other assets	1,114,887	1,332,048
Total current assets	12,177,880	14,186,207
<b>Notes receivable (net of current portion)</b>	359,995	-
<b>Notes receivable - related party (net of current portion)</b>	444,140	601,383
Total assets	\$ 171,660,221	\$ 148,308,777

The accompanying notes are an integral part of the financial statements.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Balance Sheets, continued  
December 31, 2021 and 2020**

---

	<b>2021</b>	<b>2020</b>
<b>Equity and Liabilities</b>		
<b>Members' equity</b>		
Memberships	\$ 9,450	\$ 8,595
Patronage capital	26,806,102	24,910,698
Other equity	17,429,960	13,418,182
Total equity and margins	44,245,512	38,337,475
<b>Long-term debt (less amount due within one year included below)</b>	48,785,673	47,466,649
<b>Current liabilities</b>		
Accounts payable	6,388,292	5,800,549
Member deposits	806,045	740,100
Accrued expenses	806,229	811,207
Accrued personal leave	1,291,036	1,228,666
Line of credit	3,750,000	-
Long-term debt due within one year	1,768,439	3,233,825
Unclaimed capital credits	657,407	245,095
Total current liabilities	15,467,448	12,059,442
<b>Construction advances</b>	10,741,599	4,710,188
<b>Deferred revenue - impact fees</b>	52,419,989	45,735,023
Total equity and liabilities	\$ 171,660,221	\$ 148,308,777

The accompanying notes are an integral part of the financial statements.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Statements of Operations**  
**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Operating revenues</b>	\$ 47,354,712	\$ 41,659,577
<b>Operating expenses</b>		
Operation and maintenance:		
Power purchased	26,373,657	24,531,973
Transmission	124,384	101,042
Distribution - operation	2,539,104	1,934,110
Distribution - maintenance	2,514,268	1,791,601
Consumer accounts	1,668,245	1,456,091
Member service	684,940	488,239
Administrative and general	4,746,813	3,048,657
Total operation and maintenance	<u>38,651,411</u>	<u>33,351,713</u>
Depreciation and amortization	4,866,326	3,936,156
Property taxes	1,085,566	1,109,826
Other	345,075	474,809
Total operating expenses	<u>44,948,378</u>	<u>38,872,504</u>
Operating margins before interest charges	2,406,334	2,787,073
Interest charges - principally long-term debt	<u>2,155,498</u>	<u>2,046,289</u>
Operating margins	<u>250,836</u>	<u>740,784</u>
<b>Non-operating margins</b>		
Interest income	46,261	54,284
Other non-operating income (expense)	4,076,518	1,962,094
Patronage capital credits - G&T	22,015	16,360
Patronage capital credits - CFC and others	786,091	782,440
Total non-operating margins	<u>4,930,885</u>	<u>2,815,178</u>
<b>Net margins</b>	<u>\$ 5,181,721</u>	<u>\$ 3,555,962</u>

The accompanying notes are an integral part of the financial statements.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Statements of Members' Equity**  
**For the Years Ended December 31, 2021 and 2020**

	<u>Memberships</u>	<u>Patronage Capital</u>	<u>Equity</u>	<u>Total</u>
<b>Balances, December 31, 2019</b>	\$ 8,595	\$ 22,387,606	\$ 13,732,373	\$36,128,574
<b>Allocation of 2019 margins</b>		3,870,153	(3,870,153)	-
<b>2020 Margins:</b>				
Operating			740,784	740,784
Non-operating			2,815,178	2,815,178
<b>Retirement of capital credits</b>		<u>(1,347,061)</u>		<u>(1,347,061)</u>
<b>Balances, December 31, 2020</b>	8,595	24,910,698	13,418,182	38,337,475
<b>Addition of Flowell</b>	855	70,714	2,386,019	2,457,588
<b>Allocation of 2020 margins</b>		3,555,962	(3,555,962)	-
<b>2021 Margins:</b>				
Operating			250,836	250,836
Non-operating			4,930,885	4,930,885
<b>Retirement of capital credits</b>		<u>(1,731,272)</u>		<u>(1,731,272)</u>
<b>Balances, December 31, 2021</b>	<u>\$ 9,450</u>	<u>\$ 26,806,102</u>	<u>\$ 17,429,960</u>	<u>\$44,245,512</u>

The accompanying notes are an integral part of the financial statements.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Statements of Cash Flows**

**For the Years Ended December 31, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
Net margin	\$ 5,181,721	\$ 3,555,962
Adjustments to reconcile net margin to net cash flows from operating activities:		
Depreciation and amortization	4,866,326	3,936,156
Net (gain)/loss on disposal of fixed assets and non utility plant	34,046	205,995
Accretion of deferred revenue	(2,468,488)	(2,174,367)
Changes in assets and liabilities:		
(Increase)/decrease in CFC investment	(457,916)	(486,603)
(Increase)/decrease in accounts receivable	839,460	572,247
(Increase)/decrease in materials and supplies	(613,897)	94,623
(Increase)/decrease in other assets	356,297	221,072
(Increase)/decrease in notes receivable	(199,782)	128,218
Increase/(decrease) in accounts payable	(531,007)	(1,917,485)
Increase/(decrease) in member deposits	31,257	331,564
Increase/(decrease) in accrued expenses	(5,589)	(221,540)
Increase/(decrease) in accrued personal leave	8,962	124,350
Increase/(decrease) in unclaimed capital credits	352,728	39,169
<b>Net cash flows from operating activities</b>	<u>7,394,118</u>	<u>4,409,361</u>
<b>Cash flows from investing activities:</b>		
Purchase/construction of utility plant	(30,777,929)	(24,075,716)
Proceeds from the sale of fixed assets	-	10,000
Proceeds from the sale of non utility plant property	-	307,614
<b>Net cash flows from investing activities</b>	<u>(30,777,929)</u>	<u>(23,758,102)</u>
<b>Cash flows from financing activities:</b>		
Flowell consolidation	1,260,118	-
Proceeds from new borrowings	6,250,000	11,571,400
Repayment of long-term debt	(5,996,771)	(2,497,253)
Member advances of impact fees	8,888,841	7,013,676
Member advances for construction	13,241,581	7,364,343
Refund of member advances	(478,123)	(514,990)
Refund of capital credits	(1,731,272)	(1,347,061)
<b>Net cash flows from financing activities</b>	<u>21,434,374</u>	<u>21,590,115</u>
<b>Net change in cash and cash equivalents</b>	(1,949,437)	2,241,374
<b>Cash and cash equivalents at beginning of year</b>	<u>3,345,253</u>	<u>1,103,879</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 1,395,816</u>	<u>\$ 3,345,253</u>

**Supplemental Schedule of Interest Paid and Non Cash Investing and Financing Activities**

Interest paid during the year amounted to \$2,150,572 and \$2,068,701 in 2021 and 2020 respectively.

The accompanying notes are an integral part of the financial statements.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 1. Summary of Significant Accounting Policies**

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**ORGANIZATION**

Dixie-Escalante Rural Electric Association, Inc. is a non-profit, cooperative association organized January 1, 1978, as a result of a consolidation of Dixie Rural Electric Association and Escalante Valley Electric Association for the purpose of providing electric service to rural areas located in southwestern Utah and northwestern Arizona. Dixie-Escalante Rural Electric Association, Inc. assumed all existing assets and liabilities of the Associations in the transaction which, for accounting purposes, has been recorded as a pooling-of-interests. No additional assets or liabilities were created through the consolidation.

On January 1, 2021, Dixie-Escalante Rural Electric Association, Inc. consolidated with Flowell Electric Association Inc. to service rural areas located in central Utah. Dixie-Escalante Rural Electric Association, Inc. assumed all existing assets and liabilities of Flowell Electric Association in the transaction which, for accounting purposes, has been recorded as a pooling-of-interest. No additional assets or liabilities were created through the consolidation.

**REGULATION**

The Association is subject to Federal accounting regulation and, until March 8, 1979, was subject to State rate regulation. Subsequent to March 8, 1979, the Association's rates are determined by the Board of Directors, subject to certain restrictions. The Association's accounting practices and policies are generally consistent with regulatory authorities and the accounting records are maintained in accordance with the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC).

**UTILITY PLANT AND DEPRECIATION**

Utility plant in service and under construction is stated at original cost less certain contributions received from members, as described below. Costs include labor, materials, and related indirect costs such as engineering, supervision, transportation, etc. The cost of units of property replaced or renewed plus removal cost, less salvage, is charged to accumulated depreciation. Maintenance and repairs of utility property are charged to operating expenses. The Association provides for depreciation on the straight-line basis for all property over the estimated useful lives of the related assets as follows:

	Annual Depreciation Range
Transmission Plant	2.75%
Distribution Plant	2.87%
General Plant	3yrs. – 50 yrs.

In addition to depreciation shown separately in the statement of operations, depreciation of transportation and certain other equipment, amounting to \$806,006 in 2021 and \$920,831 in 2020 was charged to certain clearing accounts and distributed to operations and construction.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

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**Note 1. Summary of Significant Accounting Policies - Continued**

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**REVENUES**

Revenues are recognized as services are performed and members are billed. The Association does not accrue revenues for energy delivered after the billing date.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand, cash in banks and cash temporarily invested in money market accounts.

**ACCOUNTS RECEIVABLE**

Accounts receivable consists primarily of charges to customers for power and services. Management periodically reviews outstanding accounts receivable and records an allowance for doubtful accounts for amounts considered unlikely to be collected.

**MATERIALS AND SUPPLIES**

Materials and supplies are stated generally at average cost which is not in excess of market.

**DEFERRED DEBITS**

The Association periodically incurs expense in the development of future electrical facilities. Deferred costs include, principally, engineering and feasibility study expenditures. Such costs will be charged to operations over an estimated recovery period commencing upon completion of the facilities, or when management determines them to be of no future benefit.

**CONSTRUCTION ADVANCES**

Construction advances from members are refundable based upon terms of the line extension policy. Amounts not refunded by the end of the allowable period for refunds are accounted for as contributions in aid of construction, as described below.

**CONTRIBUTIONS IN AID OF CONSTRUCTION**

Contributions in aid of construction include non-refundable amounts advanced by members for construction. As jobs are completed, such amounts are accounted for as a reduction in the cost of the electric plant in service.

**ADVERTISING COSTS**

The Association incurred advertising costs related to nondirect-response advertising. These costs are expensed the first time the advertising takes place. Advertising costs expensed for 2021 and 2020 were \$384,698 and \$301,527 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

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**Note 1. Summary of Significant Accounting Policies - Continued**

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**ALLOCATION OF MARGINS**

In accordance with the Association's bylaws, operating margins are allocated to the patrons of the Association in proportion to their patronage. Non-operating margins are used to reduce prior years' losses and thereafter, may be allocated to patrons at the discretion of the Association's Board of Directors.

**TAXES ON INCOME**

No amounts have been paid or accrued for income taxes as the Association is a nonprofit organization exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code.

The Association's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2019, 2020, and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**ESTIMATES**

Generally accepted accounting principles require management to make estimates and assumptions that affect assets and liabilities, contingent assets and liabilities, and revenues and expenditures. Actual results could differ from those estimates, and there is a reasonable possibility that estimates might change within the near term. The more significant estimates used by management in the preparation of the accompanying financial statements include the estimated useful lives of property, plant and equipment and the estimate used to calculate the allowance for doubtful accounts. In the opinion of management the allowance for doubtful accounts is sufficient to cover any accounts or notes receivable that may be uncollectible based on historic percentages and known circumstances.

**DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 21, 2022, the date the financial statements were available to be issued.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

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**Note 2. Utility Plant**

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Utility plant in service is summarized by major classification as follows:

	Balance at 12/31/21	Balance at 12/31/20
Transmission plant	\$ 54,023,335	\$ 47,794,150
Distribution plant	77,861,500	66,500,880
General plant	37,373,744	37,704,645
Intangible plant	550,000	550,000
Under construction	26,517,331	15,848,470
Subtotal	196,325,910	168,398,145
Accumulated depreciation and amortization	(41,536,804)	(38,158,125)
Net utility plant assets	\$ 154,789,106	\$ 130,240,020

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**Note 3. Cash**

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At various times throughout the years ended December 31, 2021 and 2020, cash balances in bank accounts exceeded the amount insured by the FDIC and/or NCUA. As of December 31, 2021 and 2020, \$1,374,133 and \$3,182,636 of the bank balance of \$1,970,012 and \$3,753,466 was uninsured and uncollateralized.

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**Note 4. Investments in Associated Organizations**

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To join NRUCFC and establish eligibility to borrow, the Association has executed an irrevocable agreement to subscribe for subscription certificates and loan certificates. The subscription certificates mature in 2070, 2075, and 2080, and bear interest at 3 percent for the first fifteen years, 4 percent for the next seven years and 5 percent thereafter. The loan certificates mature and will be returned when the loans are paid off.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 4. Investments in Associated Organizations - Continued**

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Investments in associated organizations are stated at cost and consist of the following:

	<u>2021</u>	<u>2020</u>
NRTC membership	\$ 1,000	\$ 1,000
CoBank membership	2,000	1,000
CRC		
Class A membership	2,500	2,500
Class A equity investment	10,000	10,000
Western United		
Patronage capital certificates	3,084,368	2,636,521
Less: valuation allowance	(591,200)	(502,275)
NRUCFC		
NRUCFC subscription certificates	225,347	171,175
NRUCFC loan certificates	178,378	156,109
CFC patronage capital certificates	838,925	675,394
CFC member capital securities	100,000	100,000
CFC Class A membership	1,260	1,260
NISC patronage capital certificates	36,522	28,482
	<u>\$ 3,889,100</u>	<u>\$ 3,281,166</u>

A valuation allowance has been established to reduce the investment in Western United. The allowance is equal to the amount of non-member dividends allocated to the Association which are not expected to be realized.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 5. Notes Receivable**

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As an incentive to encourage additional electrical use within its service area and in cooperation with other entities serving the same customers, the Association advanced monies to certain entities as loan assistance to help with new construction. It is the policy of the Association to continue the accrual of interest on all notes and to collect such interest through the sale of the associated collateral, if necessary. It is management's policy to write off trade and notes receivable when all efforts to collect have been exhausted. There were not any notes that were past due as of December 31, 2021 or 2020. The notes are secured by first trust deeds and their repayment terms are as follows:

	<u>2021</u>	<u>2020</u>
Note receivable from Ft Pierce Industrial Park, with variable interest (3.45% at December 31, 2021) and principal due from each lot sale at 12% of net proceeds from lot sales	\$ 359,995	\$ -
Amount due within one year	<u>-</u>	<u>-</u>
Notes receivable, net of current portion	<u>\$ 359,995</u>	<u>\$ -</u>

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**Note 6. Deferred Revenue – Impact Fees**

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Since 1988 the Association has charged an impact fee for new hookups to offset some of the cost of improving the system to accommodate growth in the service area. The monies are to be used to offset the cost of new system construction or improvement. The Association records the impact fees as deferred revenues as they are collected and then recognizes them as nonoperating revenue over a period of 30 years, which approximates the estimated life of the plant constructed. The revenue recognized for the years ended December 31, 2021 and 2020 was \$2,469,802 and \$2,179,867 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 7. Long-Term Debt**

The following is a summary of long term debt activity for 2021:

	Balance 12/31/2020	Flowell Additions	Additions	Retirements	Balance 12/31/2021	Current Portion
NRUCFC loans payable	\$ 49,045,134	\$ 3,175,809	\$ -	\$ 1,729,340	\$ 50,491,603	\$ 1,747,007
PPP loan	1,571,400	174,600	-	1,746,000	-	-
Equipment lease	83,941	-	-	21,432	62,509	21,432
<b>Total long-term debt</b>	<b>\$ 50,700,475</b>	<b>\$ 3,350,409</b>	<b>\$ -</b>	<b>\$ 3,496,772</b>	<b>\$ 50,554,112</b>	<b>\$ 1,768,439</b>

The following is a summary of long term debt activity for 2020:

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020	Current Portion
NRUCFC loans payable	\$ 40,520,955	\$ 10,000,000	\$ 1,475,821	\$ 49,045,134	\$ 1,640,993
PPP loan	-	1,571,400	-	1,571,400	1,571,400
Equipment lease	105,372	-	21,431	83,941	21,432
<b>Total long-term debt</b>	<b>\$ 40,626,327</b>	<b>\$ 11,571,400</b>	<b>\$ 1,497,252</b>	<b>\$ 50,700,475</b>	<b>\$ 3,233,825</b>

Based on the borrowing rates currently available to the Association for loans with similar terms and average maturities, the stated amount of long-term debt at December 31, 2021 and at December 31, 2020 closely approximated current fair value.

Long-term debt consists of the following:

	2021	2020
<b>Loan Payables</b>		
Loan payable to Zions Bancorporation through the SBA Paycheck Protection Program, bearing interest at 1%, maturing April 19, 2022. This loan was forgiven in February 2021.	\$ -	\$ 1,571,400
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.25%, maturing August 31, 2048.	9,727,800	9,911,057
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.25%, maturing August 31, 2048.	11,453,541	11,645,273
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2047.	7,479,505	7,627,048
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.30%, maturing November 30, 2045.	1,782,984	1,824,659

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 7. Long-Term Debt - Continued**

**Loan Payables - continued**

Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.55%, maturing November 30, 2046.	12,728,368	12,996,609
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.25%, maturing May 31, 2035.	671,584	702,413
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%, maturing November 30, 2021.	-	57,119
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.90%, maturing November 30, 2022.	151,739	298,715
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 6.00%, maturing November 30, 2023.	314,135	461,076
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	430,627	492,230
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 7.25%, maturing May 31, 2027.	430,627	492,230
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.90%, maturing February 28, 2029.	234,028	260,298
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 4.10%, maturing November 30, 2031.	1,195,410	1,293,271
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 3.65%, maturing February 28, 2026.	810,042	983,136
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 2.45%, maturing February 28, 2050.	1,932,796	-
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.05%, maturing August 31, 2036.	175,802	-
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing February 28, 2037.	717,278	-
Loan payable to National Rural Utilities Cooperative Finance Corporation, due in quarterly installments bearing interest at 5.10%, maturing August 31, 2037.	255,337	-
Total loan payables	50,491,603	50,616,534

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 7. Long-Term Debt - Continued**

**Lease Payable**

Lease payable to Farm Credit Leasing Services Corporation, due in monthly installments of \$1,803.

	62,509	83,941
Total long term debt	50,554,112	50,700,475
Less amounts due within one year	(1,768,439)	(3,233,825)
Long term debt, net of current portion	\$48,785,673	\$47,466,650

**Loan Payables**

Under the terms of the mortgage, all assets of the Association are pledged as security. In addition, the mortgage provides, among other things, for the maintenance of certain financial ratios, restrictions related to expanding, refunding patronage capital, incurring indebtedness, making investments, and merging.

On October 16, 1996, Deseret Generation and Transmission (Deseret G&T) and each of the six members of Deseret G&T including Dixie Escalante Rural Electric Association, Inc. entered into a major debt restructuring.

Maturities of the loan payables are as follows:

Year Ended	2021		2020	
	Principal	Interest	Principal	Interest
2021	\$ -	\$ -	\$ 3,212,393	\$ 2,239,131
2022	1,747,007	2,263,102	1,644,902	2,158,575
2023	1,666,115	2,180,723	1,567,167	2,079,954
2024	1,577,503	2,104,507	1,473,647	2,007,541
2025	1,651,352	2,030,773	1,543,150	1,938,038
2026	1,572,502	1,954,898	1,459,760	1,866,457
Thereafter	42,277,124	23,063,060	39,715,515	22,267,334
Totals	\$50,491,603	\$33,597,063	\$ 50,616,534	\$ 34,557,030

In 2019, DERE A entered into an additional loan agreement with the National Rural Utilities Cooperative Finance Corporation to receive up to \$20,000,000. No drawdowns were made on this agreement during 2019. In 2020, \$10,000,000 was drawn down leaving \$10,000,000 still to be drawn at December 31, 2020. No additional drawdowns were made on this agreement during 2020 leaving the balance to be drawn at \$10,000,000 at December 31, 2021.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

**Note 7. Long-Term Debt - Continued**

**PPP Loan**

In April 2020, the Association obtained an SBA loan under the Payroll Protection Program (PPP) in the amount of \$1,571,400 to help keep the Association's staff employed during the pandemic. Flowell Electric obtained a PPP loan of \$174,600 which was acquired by the Association on January 1, 2021. The Association met all of the conditions of PPP loan forgiveness and in February 2021, both PPP loans were fully forgiven by the SBA.

**Lines of Credit**

As of December 31, 2021 and 2020 the Association maintained a \$5,000,000 perpetual line of credit with NRUCFC. The line of credit bears interest at the prime rate plus 1 percent, which was 2.25 percent and 2.25 percent at December 31, 2021 and 2020 respectively. The line of credit renews each year unless either party terminates the agreement by providing written notice. There was no outstanding balance on this line of credit at December 31, 2021 and 2020.

During 2013, the Association opened a \$3,000,000 revolving line of credit with CoBank. Interest is charged at either (1) a week quoted variable rate or (2) a quoted rate option as selected by the Association at the time funds are borrowed. The line of credit can be renewed each year at the option of CoBank. In January 2018, the line of credit was increased to \$5,000,000. There was an outstanding balance on this line of credit at December 31, 2021 and 2020 of \$3,750,000 and \$0, respectively.

**Lease Payable**

In December 2019, the Association entered into a lease agreement which is considered a capital lease. The capital lease was for two electric Hyundai Kona vehicles which were capitalized under the lease for \$107,158. Amortization for 2021 and 2020 was \$21,432 and \$21,432, respectively. Amortization on the capital lease is included in depreciation expense.

The following is an annual schedule of future minimum lease payments with an interest rate of 1.68%, together with the present value of the net minimum lease payments:

	Year Ending December 31			
	2022	\$		21,635
	2023			41,264
Total remaining minimum lease payments				62,899
Less amount representing interest				(390)
Present value of net remaining minimum lease payments		\$		62,509

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**  
**Notes to the Financial Statements**  
**December 31, 2021 and 2020**

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**Note 8. Members' Equity**

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Beginning January 1, 1978, the Association discontinued a policy requiring payment of initial membership fees. Under current policy, no membership fees are required and members are admitted subject to acceptance of the board of directors. During 2000, the board approved an early retirement of capital credits allocated to members from 1978 to 1987. The Association refunded the capital credits, at a discount, to members who desired to participate in the early retirement. During 2000, the board also approved a refund of capital credits assigned to the remaining patron accounts for 1978 and 1979. The past policy adopted by the board was to refund such credits after the twentieth year if deemed economically feasible. In 2000, the board adopted a policy to refund capital credits based on a percentage of all equities method and then fully refund any amount remaining after the thirtieth year. A refund percentage is determined each year by the board of directors. During 2021 and 2020, refunds of approximately 100 percent of 1991 plus 5 percent of all other years and approximately 100 percent of 1990 plus 5 percent of all other years, respectively, of the remaining 1989-2016 capital credits were made. The total capital credit refunds amounted to \$1,719,883 and \$1,348,142 in 2021 and 2020 respectively.

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**Note 9. Employee Benefits**

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Pension benefits for all employees of the Association with one year of service who have attained age 21 are provided through participation in the National Rural Electric Cooperative Association (NRECA) Retirement and Security Defined Benefit Pension Plan.

The Retirement Security Plan (RS Plan), sponsored by the National Rural Electric Cooperative Association (NRECA), is a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is considered a multi-employer plan under the accounting standards. The plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multi-employer plan compared to a single employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

**Plan Information**

The Association's contributions to the RS Plan in 2021 and in 2020 represented less than 5 percent of the total contributions made to the RS Plan by all participating employers. The Association made contributions to the RS Plan of \$1,152,974 in 2021 and \$1,059,101 in 2020.

For the RS Plan, a "zone status" determination is not required, and therefore not determined, under the Pension Protection Act (PPA) of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80 percent funded on January 1, 2021 and over 80 percent funded on January 1, 2020, based on the PPA funding target and PPA actuarial value of assets on those dates.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 9. Employee Benefits, continued**

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Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as part of the actuarial valuation of the plan and may change as a result of plan experience.

**RS Plan Prepayment**

At the December 2012 meeting, the I&FS Committee of the NRECA Board of Directors approved an option to allow participating cooperatives in the RS Plan to make a contribution prepayment and reduce future required contributions. The prepayment amount is a cooperative's share, as of January 1, 2013, of future contributions required to fund the RS Plan's unfunded value of benefits earned to date using RS Plan actuarial valuation assumptions. The prepayment amount will typically equal approximately 2.5 times a cooperative's annual RS Plan required contribution as of January 1, 2013. After making the prepayment, the billing rate for most cooperations is reduced by approximately 25 percent, retroactive to January 1 of the year in which the amount is paid to the RS Plan. The 25 percent differential in billing rates is expected to continue for approximately 15 years from January 1, 2013. However, unexpected changes in interest rates, asset returns and other plan experience, plan assumption changes and other factors may have an impact on the differential in billing rates and the 15-year period.

Two prepayment options were available to participating cooperatives:

1. Use current assets to make the prepayment over a period of not more than 4 years
2. Borrow funds sufficient to make the prepayment in a lump sum, with the repayment of the borrowed amount determined by the loan's amortization schedule.

On May 30, 2013 the cooperative made a prepayment of \$2,098,963 to the NRECA RS Plan. The cooperative is amortizing this amount over 13 years. Interest expense associated with the prepayment loan is being accounted for in accordance with the RUS USOA.

**Defined Contribution Savings Plan**

In addition to the RS Plan, the Association contributed \$155,167 and \$152,398 to savings plans in 2021 and 2020 respectively. Employee contributions to these savings programs amounted to \$448,360 in 2021 and \$396,923 in 2020. Dixie-Escalante Rural Electric Association, Inc. has no liability for future benefits beyond the amount contributed.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 10. Compensated Absences**

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In accordance with the personal leave policy, each full time employee earns 168 hours of personal leave the first year of employment, 264 hours during the second year with an 8 hour increase for each year thereafter to a maximum of 344 hours annually. The maximum accrued hours that may accumulate in any one employee's account by year end is 800. In May and November of each year, employees may request payment of 75 percent of their current wage for up to one third of the accumulated hours in their account. The liability for accrued personal leave amounted to \$1,291,036 and \$1,228,666 at December 31, 2021 and 2020 respectively.

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**Note 11. Related Parties**

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In September of 2005, the Board of Directors approved the creation of Red Rock Funding, LLC, as a wholly owned subsidiary of the Association, to administer the Employee Loan Program. The Association made advances of funds to Red Rock Funding, LLC as necessary for the administration of the Employee Loan Program. Participants in the Employee Loan Program were able to borrow up to \$40,000 from Red Rock Funding, LLC for assistance in purchasing housing. The loans are secured by the property purchased. Principal and interest are paid annually through the administration of the Employee Housing Compensation Benefit. As of December 31, 2021 and 2020 amounts due to the Association from Red Rock Funding, LLC for such loans totaled \$544,725 and \$704,938 respectively. In December of 2009, the Association discontinued the Employee Loan Program and the Employee Housing Compensation Benefit for all future employees.

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**Note 12. Commitments and Contingencies**

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**Power Purchases**

The Association has signed a contract to purchase power from the Western Area Power Administration which is a Colorado River Storage (CRSP) allocation. Monthly power needs in excess of this allocation are purchased from Deseret Generation and Transmission (Deseret G&T). The Association is committed to purchase power from Deseret G&T in excess of its CRSP allocation. Additional power beyond that provided by these two sources would be purchased under a contract with the Intermountain Power Project. This contract, termed a lay off contract, provides that power not needed or used by the Association will be allocated to the City of Los Angeles, but made available to the Association as needed.

During the year ended December 31, 2020, Dixie-Escalante Rural Electric Association, Inc. signed a new agreement with Deseret G&T concerning the hydroelectric power from the Colorado River Storage Project (CRSP) which at present is a low cost source of power available to municipalities and cooperatives having long term contracts with CRSP. The agreement is in force until 2024 and then automatically extended and continued until 2072. Flowell Electric had a similar agreement which was transferred to Dixie Escalante Rural Electric Association

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 12. Commitments and Contingencies - Continued**

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Dixie Escalante Rural Electric Association is one of five member/owners of Deseret G&T (with 3 votes until June 2026), a Utah generating and transmitting electrical co-operative. Deseret G&T owns and operates the Bonanza power plant in eastern Utah. The Association has signed an all requirements wholesale power purchase contract with Deseret G&T which is in force until June 1, 2026 and then automatically extended and continued until December 31, 2077. Flowell Electric had a similar agreement which is in force until 2025 that was transferred to Dixie Escalante Rural Electric Association.

**St. George City – Sun Smart Solar Project**

In October of 2008, the Association entered into a solar project participation agreement with the City of St. George, Utah. Under the agreement, the City of St. George agreed to construct and operate a solar photovoltaic project. The Association would participate and permit its members who reside within the city limits of St. George to purchase participating units of the solar project from St. George.

The Association's participation percentage in the project was 50 percent, meaning that the Association would reimburse the City of St. George, either through cash payment or labor credits, for 50 percent of all costs associated with the construction, operation, and maintenance of the project. In return, the Association will receive an "energy entitlement" equal to its participation percentage for all completed phases of the project times the net output of the project minus the aggregate credited energy of all Dixie Escalante members participating in the project.

As of December 31, 2011, phases 1 and 2 of the project were complete and placed into service. Due to the nature of the project, management determined that the capital costs associated with the project should be recorded as "other assets" in the financial statements and amortized over the estimated life of the project (20 years). The Association's share of all costs for the construction of the project minus any shares sold to customers and net of accumulated amortization totaled \$279,067 and \$312,951 at December 31, 2021 and 2020 respectively. Operating and maintenance costs will be expensed as incurred.

**Deseret Generation and Transmission - Dixie Solar Project**

On January 1, 2017, the Association entered into an agreement with Deseret Generation and Transmission (Deseret G&T) to construct a solar farm in Beryl, Utah. The project was completed in 2018. Due to the nature of the project, management determined that the capital costs associated with the project should be recorded as "other assets" in the financial statements and amortized over the estimated life. The Association pays Deseret G&T a fixed lease price each month for use of the solar farm. The Association's share of all costs for the construction of the project minus any shares sold to customers and net of accumulated amortization totaled \$96,688 and \$104,732 at December 31, 2021 and 2020 respectively.

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**Notes to the Financial Statements**

**December 31, 2021 and 2020**

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**Note 13. Recognition of Capital Credits from Deseret Generation and Transmission**

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During 1999 the board of directors adopted the policy of only recognizing capital credits from Deseret Generation and Transmission (Deseret G&T) when the credits are actually paid. Deseret G&T has no obligation to rotate capital credits and even though capital credits are being allocated by Deseret G&T to its members there is no present expectation that all of those credits will be rotated by payments to the members.

During 2021, Deseret G&T declared a rebate of power costs in the amount of \$1,228,262 which was paid in 2022. That rebate has been recorded as a receivable at December 31, 2021. During 2020, Deseret G&T declared a rebate of power costs in the amount of \$1,034,167 that was paid in 2021. That rebate had been recorded as a receivable at December 31, 2020.

During 2021 and 2020, Deseret G&T rotated and paid the Association the following capital credits and has informed the management of the following tax basis allocations of the remaining capital credits which may someday be retired.

Year	Balance 12/31/2019	2020 - 2021 Rotation	Flowell 12/31/2020	Balance 12/31/2021
1980	\$ -	\$ -	\$ 1,327	\$ 1,327
1983	16,296	-	2,975	19,271
1984	133,474	-	8,669	142,143
1985	-	-	-	-
1986	86,351	-	10,496	96,847
1997	624,852	-	179,638	804,490
1998	68,200	38,375	27,528	57,353
1999 - 2012	-	-	-	-
Total	<u>\$ 929,173</u>	<u>\$ 38,375</u>	<u>\$ 230,633</u>	<u>\$ 1,121,431</u>

Rotation of capital credits recognized as revenues in 2021 and 2020 totaled \$22,015 and \$16,360 respectively.

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**Note 14. Subsequent Events**

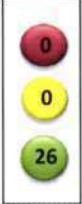


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In January 2022, DERE A entered into an additional loan agreement with the National Rural Utilities Cooperative Finance Corporation to receive up to \$20,000,000.

# **Attachment J**

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante Rural Electric Associat
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2021

Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar

CERTIFICATION	BALANCE CHECK RESULTS	AUTHORIZATION
We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.		<b>AUTHORIZATION</b>  NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?  <input checked="" type="radio"/> YES <input type="radio"/> NO
 4/4/22 Signature of Office Manager or Accountant Date		
 4/4/22 Signature of Manager Date		

PART A. STATEMENT OF OPERATIONS				
ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	41,659,577	47,354,712	46,278,410	3,448,909
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	24,531,973	26,373,657	26,746,579	1,913,482
4. Transmission Expense	101,042	124,384	162,500	21,993
5. Regional Market Operations Expense	0	0	0	0
6. Distribution Expense - Operation	1,934,110	2,539,104	2,358,050	523,323
7. Distribution Expense - Maintenance	1,791,601	2,514,268	2,210,868	484,129
8. Consumer Accounts Expense	1,456,091	1,668,245	1,553,646	281,753
9. Customer Service and Informational Expense	488,239	684,940	572,443	108,868
10. Sales Expense	0	0	0	0
11. Administrative and General Expense	3,048,657	4,746,813	3,327,695	877,580
<b>12. Total Operation &amp; Maintenance Expense (2 thru 11)</b>	<b>33,351,713</b>	<b>38,651,411</b>	<b>36,931,781</b>	<b>4,211,128</b>
13. Depreciation & Amortization Expense	3,936,156	4,866,326	5,125,376	420,629
14. Tax Expense - Property & Gross Receipts	1,109,826	1,085,566	1,344,040	142,124
15. Tax Expense - Other	0	0	0	0
16. Interest on Long-Term Debt	2,024,961	2,118,950	2,444,736	173,899
17. Interest Charged to Construction (Credit)	0	0	0	0
18. Interest Expense - Other	21,329	36,548	40,250	18,764
19. Other Deductions	474,809	345,075	493,001	29,696
<b>20. Total Cost of Electric Service (12 thru 19)</b>	<b>40,918,794</b>	<b>47,103,876</b>	<b>46,379,184</b>	<b>4,996,240</b>
<b>21. Patronage Capital &amp; Operating Margins (1 minus 20)</b>	<b>740,783</b>	<b>250,836</b>	<b>(100,774)</b>	<b>(1,547,331)</b>
22. Non Operating Margins - Interest	54,284	46,261	58,098	34,345
23. Allowance for Funds Used During Construction	0	0	0	0
24. Income (Loss) from Equity Investments	0	0	0	0
25. Non Operating Margins - Other	1,962,094	4,076,518	1,837,560	508,517
26. Generation & Transmission Capital Credits	16,360	22,015	20,014	22,015
27. Other Capital Credits & Patronage Dividends	782,440	786,091	782,250	0
28. Extraordinary Items	0	0	0	0
<b>29. Patronage Capital or Margins (21 thru 28)</b>	<b>3,555,961</b>	<b>5,181,721</b>	<b>2,597,148</b>	<b>(982,454)</b>

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT					
ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	1,632	2,598	5. Miles Transmission	180	186
2. Services Retired	0	6	6. Miles Distribution Overhead	492	646
3. Total Services In Place	27,116	29,709	7. Miles Distribution Underground	587	624
4. Idle Services (Exclude Seasonal)	1,946	2,006	<b>8. Total Miles Energized (5+6+7)</b>	<b>1,259</b>	<b>1,456</b>



NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT					BORROWER NAME	Dixie-Escalante
					BORROWER DESIGNATION	UT020
					ENDING DATE	12/31/2021
<b>PART E. CHANGES IN UTILITY PLANT</b>						
	PLANT ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE END OF YEAR (e)
1	Distribution Plant Subtotal	66,393,722	11,804,012	443,392	0	77,754,342
2	General Plant Subtotal	37,811,804	3,369,668	3,700,569	0	37,480,903
3	Headquarters Plant	0	0	0	0	0
4	Intangibles	550,000	0	0	0	550,000
5	Transmission Plant Subtotal	47,794,150	6,352,074	122,890	0	54,023,334
6	Regional Transmission and Market Operation Plant	0	0	0	0	0
7	Production Plant - Steam	0	0	0	0	0
8	Production Plant - Nuclear	0	0	0	0	0
9	Production Plant - Hydro	0	0	0	0	0
10	Production Plant - Other	0	0	0	0	0
11	All Other Utility Plant	0	0	0	0	0
12	<b>SUBTOTAL: (1 thru 11)</b>	<b>152,549,676</b>	<b>21,525,754</b>	<b>4,266,851</b>	<b>0</b>	<b>169,808,579</b>
13	Construction Work in Progress	15,848,470	10,668,861			26,517,331
14	<b>TOTAL UTILITY PLANT (12+13)</b>	<b>168,398,146</b>	<b>32,194,615</b>	<b>4,266,851</b>	<b>0</b>	<b>196,325,910</b>
<b>CFC NO LONGER REQUIRES SECTIONS "F", "J", AND "M" DATA</b> Those sections refer to data on "Materials and Supplies" (F), "Energy Efficiency and Conservation Loan Program" (J), and "Annual Meeting and Board Data" (M).						
<b>PART H. SERVICE INTERRUPTIONS</b>						
	ITEM	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	Avg. Minutes per Consumer by Cause	TOTAL (e)
		Power Supplier (a)	Major Event (b)	Planned (c)	All Other (d)	
1.	Present Year	0.90	0.00	9.70	25.70	36.30
2.	Five-Year Average	0.48	8.71	4.44	35.10	48.73
<b>PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS</b>						
1.	Number of Full Time Employees		86	4. Payroll - Expensed		5,241,470
2.	Employee - Hours Worked - Regular Time		177,719	5. Payroll - Capitalized		1,978,793
3.	Employee - Hours Worked - Overtime		3,967	6. Payroll - Other		1,725,756
<b>PART J. PATRONAGE CAPITAL</b>						
ITEM		THIS YEAR (a)	CUMULATIVE (b)	<b>PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE</b>		
				1. Amount Due Over 60 Days:		
				70,502		
1.	General Retirement	1,723,110	15,153,914	2. Amount Written Off During Year:		
2.	Special Retirements	0	0	17,158		
3.	<b>Total Retirements (1+2)</b>	<b>1,723,110</b>	<b>15,153,914</b>			
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	22,015				
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	94,112				
6.	<b>Total Cash Received (4+5)</b>	<b>116,127</b>				

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT						BORROWER NAME	Dixie-Escalante			
						BORROWER DESIGNATION	UT020			
						ENDING DATE	12/31/2021			
PART L. KWH PURCHASED AND TOTAL COST										
	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	RENEWABLE ENERGY PROGRAM NAME (c)	RENEWABLE FUEL TYPE (d)	KWH PURCHASED (e)	TOTAL COST (f)	AVERAGE COST PER KWH (cents) (g)	INCLUDED IN TOTAL COST		
								FUEL COST ADJUSTMENT (h)	WHEELING & OTHER CHARGES (or Credits) (i)	COMMENTS (j)
1	DESERET G & T				670,057,680	26,373,657	3.94	0	0	Comments
2							0.00	0	0	Comments
3							0.00	0	0	Comments
4							0.00	0	0	Comments
5							0.00	0	0	Comments
6							0.00	0	0	Comments
7							0.00	0	0	Comments
8							0.00	0	0	Comments
9							0.00	0	0	Comments
10							0.00	0	0	Comments
11							0.00	0	0	Comments
12							0.00	0	0	Comments
13							0.00	0	0	Comments
14							0.00	0	0	Comments
15							0.00	0	0	Comments
16							0.00	0	0	Comments
17							0.00	0	0	Comments
18							0.00	0	0	Comments
19							0.00	0	0	Comments
20							0.00	0	0	Comments
21	<b>TOTALS</b>				<b>670,057,680</b>	<b>26,373,657</b>	<b>3.94</b>	<b>0</b>	<b>0</b>	

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2021

**PART L. KWH PURCHASED AND TOTAL COST (Continued)**

COMMENTS	
1	
2	
3	
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<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2021

**PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)**

*LIST BELOW ALL "RESTRICTED PROPERTY" \*\* HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")*

	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR
1.			\$0
2.			\$0
3.	<b>TOTAL</b>		<b>\$0</b>

\*\* "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000).

**PART O. LONG-TERM DEBT SERVICE REQUIREMENTS**

	NAME OF LENDER	BALANCE END OF YEAR	BILLED THIS YEAR			CFC USE ONLY (d)
			INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1	National Rural Utilities Cooperative Finance Corporation	48,723,164	2,112,936	1,729,339	3,842,275	
2	NCSC	0	0	0	0	
3	Farmer Mac	0	0	0	0	
4	CoBank	0	17,749	0	17,749	
5		0	0	0	0	
6		0	0	0	0	
7		0	0	0	0	
8		0	0	0	0	
9		0	0	0	0	
10	Principal Payments Received from Ultimate Recipients of IRP Loans			0		
11	Principal Payments Received from Ultimate Recipients of REDL Loans			0		
12	<b>TOTAL (Sum of 1 thru 9)</b>	<b>\$48,723,164</b>	<b>\$2,130,685</b>	<b>\$1,729,339</b>	<b>\$3,860,024</b>	

<b>COOPERATIVE FINANCE CORPORATION</b> <b>FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2021

**PART R. POWER REQUIREMENTS DATABASE**

CLASSIFICATION	CONSUMER, SALES, AND REVENUE DATA	JANUARY CONSUMERS	DECEMBER CONSUMERS	AVERAGE CONSUMERS	TOTAL KWH SALES AND REVENUE
		(a)	(b)	(c)	
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	22,661	24,429	23,545	
	b. KWH Sold				390,444,956
	c. Revenue				30,367,182
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
3. Irrigation Sales	a. No. Consumers Served	395	390	393	
	b. KWH Sold				62,972,904
	c. Revenue				4,017,730
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	2,635	2,714	2,675	
	b. KWH Sold				159,656,283
	c. Revenue				10,821,369
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	1	1	1	
	b. KWH Sold				25,700,808
	c. Revenue				1,732,303
6. Public Street & Highway Lighting	a. No. Consumers Served	112	112	112	
	b. KWH Sold				526,608
	c. Revenue				112,963
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
8. Sales for Resales-RUS Borrowers	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	
	b. KWH Sold				0
	c. Revenue				0
<b>10. TOTAL No. of Consumers (lines 1a thru 9a)</b>		<b>25,804</b>	<b>27,646</b>	<b>26,726</b>	
<b>11. TOTAL KWH Sold (lines 1b thru 9b)</b>					<b>639,301,559</b>
<b>12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)</b>					<b>47,051,547.02</b>
13. Transmission Revenue					0
14. Other Electric Revenue					303,165
15. KWH - Own Use					4,211,833
16. TOTAL KWH Purchased					670,057,680
17. TOTAL KWH Generated					0
18. Cost of Purchases and Generation					26,498,041
19. Interchange - KWH - Net					0
20. Peak - Sum All KW Input (Metered)					182,732
<input type="radio"/> None <input type="radio"/> Non-coincident <input checked="" type="radio"/> Coincident					

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>	<b>BORROWER NAME</b>	Dixie-Escalante
	<b>BORROWER DESIGNATION</b>	UT020
	<b>ENDING DATE</b>	12/31/2021

**PART 5. ENERGY EFFICIENCY PROGRAMS**

Line #	Classification	Added This Year			Total To Date		
		Number of Consumers (a)	Amount Invested (b)	ESTIMATED MMBTU Savings (c)	Number of Consumers (d)	Amount Invested (e)	ESTIMATED MMBTU Savings (f)
1.	Residential Sales (excluding seasonal)	0	0	0	0	0	0
2.	Residential Sales - Seasonal	0	0	0	0	0	0
3.	Irrigation Sales	0	0	0	0	0	0
4.	Comm. and Ind. 1000 KVA or Less	0	0	0	0	0	0
5.	Comm. and Ind. Over 1000 KVA	0	0	0	0	0	0
6.	Public Street and Highway Lighting	0	0	0	0	0	0
7.	Other Sales to Public Authorities	0	0	0	0	0	0
8.	Sales for Resales - RUS Borrowers	0	0	0	0	0	0
9.	Sales for Resales - Other	0	0	0	0	0	0
10.	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT		BORROWER NAME BORROWER DESIGNATION ENDING DATE		Dixie-Escalante UT020 12/31/2021
(All investments refer to your most recent CFC Loan Agreement)				
<b>7a - PART 1 - INVESTMENTS</b>				
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)	
<b>2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS</b>				
5	Patronage Capital From CFC - Dixie		767,448	
6	Patronage Capital From CFC - Carryover from Flowell		71,477	0
7	Patronage Capital From Western United		2,493,168	0
8	Patronage Capital From NISC		36,522	0
9	CFC CTCs		403,725	0
10	CFC Membership		1,260	0
11	NRTC Membership		1,000	0
12	CFC Membership		2,500	0
13	CFC Member Securities		100,000	0
14	CoBank Equity		2,000	0
15	CRC Equity		10,000	0
16			0	0
Subtotal (Line 5 thru 16)		0	3,889,100	0
<b>3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS</b>				
17			0	0
18			0	0
19			0	0
20			0	0
Subtotal (Line 17 thru 20)		0	0	0
<b>4. OTHER INVESTMENTS</b>				
21			0	0
22			0	0
23			0	0
24			0	0
Subtotal (Line 21 thru 24)		0	0	0
<b>5. SPECIAL FUNDS</b>				
25			0	0
26			0	0
27			0	0
28			0	0
Subtotal (Line 25 thru 28)		0	0	0
<b>6. CASH - GENERAL</b>				
29	Wells Fargo	250,000	214,628	0
30	Zions	69,253	0	0
31	Cash Clearing		97,432	0
32	Zions - CapCr	250,000	407,371	0
33	Cash - Working Funds		2,300	0
34			0	0
35			0	0
36			0	0
37			0	0
Subtotal (Line 29 thru 37)		569,253	721,731	0
<b>7. SPECIAL DEPOSITS</b>				
38	MACU	95,879	0	0
39			0	0
40			0	0
41			0	0
Subtotal (Line 38 thru 41)		95,879	0	0
<b>8. TEMPORARY INVESTMENTS</b>				
42	Zions Savings Carryover from Flowell	8,953	0	0
43			0	0
44			0	0
45			0	0
Subtotal (Line 42 thru 45)		8,953	0	0
<b>9. ACCOUNT &amp; NOTES RECEIVABLE - NET</b>				
46	Red Rock Funding Note		544,725	0
47	Fort Pierce Industrial Note		359,995	0
48	Accounts Receivable - Other		1,684,249	0
49			0	0
50			0	0
Subtotal (Line 46 thru 50)		0	2,588,969	0
<b>10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED</b>				
51			0	0
52			0	0
53			0	0
54			0	0
Subtotal (Line 51 thru 54)		0	0	0
<b>Total</b>		<b>674,085</b>	<b>7,199,800</b>	<b>0</b>

<b>NATIONAL RURAL UTILITIES</b>			<b>BORROWER NAME</b>		Dixie-Escalante
<b>COOPERATIVE FINANCE CORPORATION</b>			<b>BORROWER DESIGNATION</b>		UT020
<b>FINANCIAL AND STATISTICAL REPORT</b>			<b>ENDING DATE</b>	12/31/2021	
(All investments refer to your most recent CFC Loan Agreement)					
<b>7a - PART II. LOAN GUARANTEES</b>					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>7a - PART III. LOANS</b>					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1			0	0	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
<b>TOTALS (Line 1 thru 5)</b>			<b>0</b>	<b>0</b>	<b>0</b>
<b>7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES</b>					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				<b>674,085</b>
2	LARGER OF (a) OR (b)				<b>29,448,887</b>
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			<b>29,448,887</b>	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 35)			<b>22,122,756</b>	

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT	BORROWER NAME	Dixie-Escalante
	BORROWER DESIGNATION	UT020
	ENDING DATE	12/31/2021
<b>PRELIMINARY FINANCIAL &amp; STATISTICAL RATIOS</b>		
<p><b>These preliminary ratios can be used to evaluate your system's performance and used as an error checking device. MDSC and DSC will be "estimated" values. Your system's prior year's "Investment in Associated Orgs -- Patronage Capital" must be entered as a part of the calculation for MDSC.</b></p>		
<b>ITEM DESCRIPTION</b>	<b>ENTER DATA</b>	
2020 Part C Balance Sheet, Line 8 - Invest. In Assoc. Org. - Pat Cap	2,838,122	
2021 Billed Debt Service	<b>3,860,024</b>	
2020 Part R Power Req. Database, Line 11, Column (d) - Total MWH Sold	<b>570,116</b>	
2020 Part R Power Req. Database, Line 10, Column (c) - Average Number of Consumers	<b>24,367</b>	
2020 Part C Balance Sheet, Line 3 - Total Utility Plant	<b>168,398</b>	
2019 Part C Balance Sheet, Line 35 - Total Margins & Equities	36,128,575	
2020 Part C Balance Sheet, Line 35 - Total Margins & Equities	38,337,476	
2019 Part C Balance Sheet, Line 38 - Total Long-Term Debt	40,136,300	
2020 Part C Balance Sheet, Line 38 - Total Long-Term Debt	47,382,708	
2016 Part C Balance Sheet, Line 35 - Total Margins & Equities	25,464,717	
2016 Part C Balance Sheet, Line 38 - Total Long-Term Debt	22,923,408	
2020 Part C Balance Sheet, Line 46 - Current Maturities Long-Term Debt - Economic Dev.	0	
2020 Part C Balance Sheet, Line 45 - Current Maturities Long-Term Debt	3,233,825	

<b>NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT</b>		<b>BORROWER NAME</b>	Dixie-Escalante
		<b>BORROWER DESIGNATION</b>	UT020
		<b>ENDING DATE</b>	12/31/2021
2019 TIER		3.08	
2020 TIER		2.76	
2021 TIER		3.45	
2019 OTIER		1.74	
2020 OTIER		1.42	
2021 OTIER		1.17	
2019 MDSC		2.15	
2020 MDSC		2.04	
2021 MDSC		1.96	
2019 DSC		2.88	
2020 DSC		2.75	
2021 DSC		3.15	
2019 ODSC		2.09	
2020 ODSC		1.96	
2021 ODSC		1.90	
<b>2% of Total Margins &amp; Equity</b>		<b>884,910</b>	
<b>Total Long-Term Leases</b>		<b>-</b>	
<b>1/3 of the Lease portion</b>		<b>(294,970)</b>	
<b>Pat Cap (Cash) portion</b>		<b>277,613</b>	

RATIO No.	RATIO DESCRIPTION	KRTA 2016	KRTA 2017	KRTA 2018	KRTA 2019	KRTA 2020	ESTIMATED RATIOS FOR 2021	Budget 2022	25%
1	RATIO 1 --- AVERAGE TOTAL CONSUMERS SERVED	19,031	20,210	21,584	22,918	24,367	26,726	0	9.68%
2	RATIO 2 --- TOTAL KWH SOLD (1,000)	455,933	489,196	516,528	509,163	570,116	639,302	0	12.14%
3	RATIO 3 --- TOTAL UTILITY PLANT (1,000)	97,277	118,115	139,386	153,236	168,398	196,326	0	16.58%
4	RATIO 4 --- TOTAL NUMBER OF EMPLOYEES (FULL TIME ONLY)	63	75	77	83	83	86	0	3.61%
5	RATIO 5 --- TOTAL MILES OF LINE	1,029	1,087	1,159	1,214	1,259	1,456	0	15.65%
6	RATIO 6 --- TIER	5.99	4.35	5.52	3.08	2.76	3.45	0.00	24.83%
7	RATIO 7 --- TIER (2 OF 3 YEAR HIGH AVERAGE)	4.89	5.17	5.75	4.93	4.30	3.26	0.00	-24.12%
8	RATIO 8 --- OTIER	2.78	2.49	3.75	1.74	1.42	1.17	0.00	-17.38%
9	RATIO 9 --- OTIER (2 OF 3 YEAR HIGH AVERAGE)	1.84	2.63	3.26	3.12	2.74	1.58	0.00	-12.34%
10	RATIO 10 --- MODIFIED DSC (MDSC)	2.85	2.84	3.45	2.15	2.04	1.96	0.00	-3.99%
11	RATIO 11 --- MDSC (2 OF 3 YEAR HIGH AVERAGE)	2.39	2.84	3.15	3.14	2.80	2.10	0.00	-25.18%
12	RATIO 12 --- DEBT SERVICE COVERAGE (DSC)	3.96	3.77	4.39	2.88	2.75	3.15	0.00	14.62%
13	RATIO 13 --- DSC (2 OF 3 YEAR HIGH AVERAGE)	3.43	3.86	4.17	4.08	3.64	3.02	0.00	-17.14%
14	RATIO 14 --- ODSC	2.74	2.74	3.36	2.09	1.96	1.90	0.00	-2.82%
15	RATIO 15 --- ODSC (2 OF 3 YEAR HIGH AVERAGE)	2.27	2.74	3.05	3.05	2.73	2.03	0.00	-25.82%
16	RATIO 16 --- EQUITY AS A % OF ASSETS	27.86	26.55	26.59	26.57	25.85	25.78	0.00	-0.27%
17	RATIO 17 --- DISTRIBUTION EQUITY (EXCLUDES EQUITY IN ASSOC. ORG'S PATRONAGE CAPITAL)	27.02	25.57	25.46	25.27	24.40	24.29	0.00	-0.45%
18	RATIO 18 --- EQUITY AS A % OF TOTAL CAPITALIZATION	52.63	48.60	45.20	47.37	44.72	47.59	0.00	6.42%
19	RATIO 19 --- LONG TERM DEBT AS A % OF TOTAL ASSETS	25.08	28.08	32.24	29.51	31.95	28.38	0.00	-11.17%
20	RATIO 20 --- LONG TERM DEBT PER KWH SOLD (MILLS)	50.28	61.00	78.44	78.83	83.11	76.21	0.00	-8.30%
21	RATIO 21 --- LONG TERM DEBT PER CONSUMER (\$)	1,204.53	1,476.54	1,877.25	1,751.30	1,944.54	1,823.06	0.00	-6.25%
22	RATIO 22 --- NON-GOVERNMENT DEBT AS A % OF TOTAL LONG TERM DEBT	100.00	100.00	100.00	100.00	100.00	100.00	0.00	0.00%
23	RATIO 23 --- BLENDED INTEREST RATE (%)	3.11	3.83	3.82	4.47	4.40	4.04	0.00	-8.15%
24	RATIO 24 --- ANNUAL CAPITAL CREDITS RETIRED PER TOTAL EQUITY (%)	2.63	2.73	3.21	3.23	3.52	3.89	0.00	10.51%
25	RATIO 25 --- LONG-TERM INTEREST AS A % OF REVENUE	1.71	3.02	3.60	4.90	4.86	4.47	0.00	-8.02%
26	RATIO 26 --- CUMULATIVE PATRONAGE CAPITAL RETIRED AS A % OF TOTAL PATRONAGE CAPITAL	26.27	25.86	24.62	25.06	25.94	25.51	0.00	-1.66%
27	RATIO 27 --- RATE OF RETURN ON EQUITY (%)	10.40	12.45	18.77	10.71	9.28	11.71	0.00	26.19%
28	RATIO 28 --- RATE OF RETURN ON TOTAL CAPITALIZATION (%)	6.57	7.86	10.36	7.52	6.51	7.85	0.00	20.63%
29	RATIO 29 --- CURRENT RATIO	1.89	1.75	1.74	1.04	1.15	0.80	0.00	-30.43%
30	RATIO 30 --- GENERAL FUNDS PER TUP (%)	1.23	1.04	3.25	1.34	2.21	0.93	0.00	-57.92%
31	RATIO 31 --- PLANT REVENUE RATIO (PRR) ONE YEAR	8.20	8.99	8.39	9.38	9.89	9.41	0.00	-4.85%
32	RATIO 32 --- INVESTMENT IN SUBSIDIARIES TO TOTAL ASSETS (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
33	RATIO 33 --- TOTAL OPERATING REVENUE PER KWH SOLD (MILLS)	67.94	71.00	74.76	74.62	73.07	74.07	0.00	1.37%

RATIO No.	RATIO DESCRIPTION	KRTA 2016	KRTA 2017	KRTA 2018	KRTA 2019	KRTA 2020	ESTIMATED RATIOS FOR 2021	Budget 2022	25%
34	RATIO 34 --- TOTAL OPERATING REVENUE PER TUP INVESTMENT (CENTS)	31.84	29.41	27.70	24.79	24.74	24.12	0.00	-2.51%
35	RATIO 35 --- TOTAL OPERATING REVENUE PER CONSUMER (\$)	1,627.66	1,718.54	1,789.01	1,657.83	1,709.67	1,771.86	0.00	3.64%
36	RATIO 36 --- ELECTRIC REVENUE PER KWH SOLD (MILLS)	67.49	70.55	74.28	74.15	72.65	73.60	0.00	1.31%
37	RATIO 37 --- ELECTRIC REVENUE PER CONSUMER (\$)	1,616.78	1,707.68	1,777.64	1,647.43	1,699.87	1,760.52	0.00	3.57%
38	RATIO 38 --- RESIDENTIAL REVENUE PER KWH SOLD (MILLS)	70.98	74.25	78.59	78.95	77.15	77.78	0.00	0.82%
39	RATIO 39 --- NON-RESIDENTIAL REVENUE PER KWH SOLD (MILLS)	62.35	65.25	67.31	66.14	64.78	67.04	0.00	3.49%
40	RATIO 40 --- SEASONAL REVENUE PER KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
41	RATIO 41 --- IRRIGATION REVENUE PER KWH SOLD (MILLS)	57.51	58.23	60.83	59.46	55.96	63.80	0.00	14.01%
42	RATIO 42 --- SMALL COMMERCIAL REVENUE PER KWH SOLD (MILLS)	60.35	62.56	66.75	66.72	66.29	67.78	0.00	2.25%
43	RATIO 43 --- LARGE COMMERCIAL REVENUE PER KWH SOLD (MILLS)	87.70	81.45	77.38	67.80	66.07	67.40	0.00	2.01%
44	RATIO 44 --- SALES FOR RESALE REVENUE PER KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
45	RATIO 45 --- STREET & HIGHWAY LIGHTING REVENUE PER KWH SOLD (MILLS)	40.16	38.87	211.26	195.74	191.73	214.51	0.00	11.88%
46	RATIO 46 --- OTHER SALES TO PUBLIC AUTHORITIES REVENUE PER KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
47	RATIO 47 --- OPERATING MARGINS PER KWH SOLD (MILLS)	1.97	3.08	7.25	2.52	1.30	0.39	0.00	-70.00%
48	RATIO 48 --- OPERATING MARGINS PER CONSUMER (\$)	47.30	74.60	173.41	55.98	30.40	9.39	0.00	-69.11%
49	RATIO 49 --- NON-OPERATING MARGINS PER KWH SOLD (MILLS)	3.23	3.05	3.53	3.79	3.54	6.45	0.00	82.20%
50	RATIO 50 --- NON-OPERATING MARGINS PER CONSUMER (\$)	77.37	73.88	84.44	84.31	82.75	154.26	0.00	86.42%
51	RATIO 51 --- TOTAL MARGINS LESS ALLOCATIONS PER KWH SOLD (MILLS)	5.20	6.13	10.78	6.31	4.84	6.84	0.00	-41.32%
52	RATIO 52 --- TOTAL MARGINS LESS ALLOCATIONS PER CONSUMER (\$)	124.67	148.48	257.86	140.28	113.15	163.65	0.00	-44.63%
53	RATIO 53 --- INCOME (LOSS) FROM EQUITY INVESTMENTS PER CONSUMER (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
54	RATIO 54 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER KWH SOLD (MILLS)	0.60	1.05	1.37	1.29	1.40	1.26	0.00	-10.00%
55	RATIO 55 --- ASSOCIATED ORGANIZATION'S CAPITAL CREDITS PER CONSUMER (\$)	14.44	25.38	32.71	28.59	32.78	30.24	0.00	-7.75%
56	RATIO 56 --- TOTAL MARGINS PER KWH SOLD (MILLS)	5.81	7.18	12.14	7.60	6.24	8.11	0.00	29.97%
57	RATIO 57 --- TOTAL MARGINS PER CONSUMER (\$)	139.11	173.86	290.56	168.87	145.93	193.88	0.00	32.86%
58	RATIO 58 --- A/R OVER 60 DAYS AS A % OF OPERATING REVENUE	1.56	1.43	0.15	0.30	0.12	0.15	0.00	25.00%
59	RATIO 59 --- AMOUNT WRITTEN OFF AS A % OF OPERATING REVENUE	0.15	0.15	0.05	(0.05)	(0.32)	0.04	0.00	-112.50%
60	RATIO 60 --- TOTAL MWH SOLD PER MILE OF LINE	443.08	450.04	445.67	419.41	452.83	439.08	0.00	-3.04%
61	RATIO 61 --- AVERAGE RESIDENTIAL USAGE KWH PER MONTH	1,345.29	1,343.12	1,391.24	1,302.01	1,395.68	1,381.91	0.00	-0.99%
62	RATIO 62 --- AVERAGE SEASONAL KWH USAGE PER MONTH	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
63	RATIO 63 --- AVERAGE IRRIGATION KWH USAGE PER MONTH	13,242.31	13,109.98	14,588.38	11,918.80	15,276.65	13,353.03	0.00	-12.59%
64	RATIO 64 --- AVERAGE SMALL COMMERCIAL KWH USAGE PER MONTH	5,744.99	5,279.60	5,376.16	5,196.13	5,039.06	4,973.72	0.00	-1.30%
65	RATIO 65 --- AVERAGE LARGE COMMERCIAL KWH USAGE PER MONTH	768,666.67	1,620,708.33	1,941,833.33	1,944,083.33	2,143,666.67	2,141,734.00	0.00	-0.09%
66	RATIO 66 --- AVERAGE STREET & HIGHWAY LIGHTING KWH USAGE PER MONTH	1,846.57	1,924.45	358.33	389.14	392.11	391.82	0.00	-0.07%
67	RATIO 67 --- AVERAGE SALES FOR RESALE KWH USAGE PER MONTH	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
68	RATIO 68 --- AVERAGE SALES TO PUBLIC AUTHORITIES KWH USAGE PER MONTH	#N/A	#N/A	#N/A	#N/A	#N/A	#DIV/0!	0.00	#DIV/0!
69	RATIO 69 --- RESIDENTIAL KWH SOLD PER TOTAL KWH SOLD (%)	59.48	58.88	61.81	62.54	63.63	61.07	0.00	-4.02%
70	RATIO 70 --- SEASONAL KWH SOLD PER TOTAL KWH SOLD (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
71	RATIO 71 --- IRRIGATION KWH SOLD PER TOTAL KWH SOLD (%)	6.80	6.34	6.71	5.48	6.33	9.85	0.00	55.61%
72	RATIO 72 --- SMALL COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)	29.15	26.33	26.88	27.30	25.43	24.97	0.00	-1.81%
73	RATIO 73 --- LARGE COMMERCIAL KWH SOLD PER TOTAL KWH SOLD (%)	4.05	7.95	4.51	4.58	4.51	4.02	0.00	-10.86%

RATIO No.	RATIO DESCRIPTION	KRTA 2016	KRTA 2017	KRTA 2018	KRTA 2019	KRTA 2020	ESTIMATED RATIOS FOR 2021	Budget 2022	25%
74	RATIO 74 --- STREET & HIGHWAY LIGHTING KWH SOLD PER TOTAL KWH SOLD (%)	0.52	0.51	0.09	0.10	0.09	0.08	0.00	-11.11%
75	RATIO 75 --- SALES FOR RESALE PER TOTAL KWH SOLD (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
76	RATIO 76 --- SALES TO PUBLIC AUTHORITIES PER TOTAL KWH SOLD (%)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
77	RATIO 77 --- O & M EXPENSES PER TOTAL KWH SOLD (MILLS)	7.12	6.22	5.63	6.74	6.54	7.90	0.00	20.80%
78	RATIO 78 --- O & M EXPENSES PER DOLLARS OF TUP (MILLS)	33.39	25.77	20.87	22.41	22.12	25.74	0.00	16.37%
79	RATIO 79 --- O & M EXPENSES PER CONSUMER (\$)	170.69	150.61	134.78	149.85	152.90	189.08	0.00	23.66%
80	RATIO 80 --- CONSUMER ACCOUNTING EXPENSES PER TOTAL KWH SOLD (MILLS)	2.39	2.71	2.84	3.00	2.55	2.61	0.00	2.35%
81	RATIO 81 --- CONSUMER ACCOUNTING EXPENSES PER CONSUMER (\$)	57.16	65.59	68.06	66.64	59.76	62.42	0.00	4.45%
82	RATIO 82 --- CUSTOMER SALES AND SERVICE PER TOTAL KWH SOLD (MILLS)	1.85	0.91	0.94	0.91	0.86	1.07	0.00	24.42%
83	RATIO 83 --- CUSTOMER SALES AND SERVICE PER CONSUMER (\$)	44.37	22.05	22.49	20.31	20.04	25.63	0.00	27.89%
84	RATIO 84 --- A & G EXPENSES PER TOTAL KWH SOLD (MILLS)	4.61	4.38	4.89	5.79	5.35	7.42	0.00	38.69%
85	RATIO 85 --- A & G EXPENSES PER CONSUMER (\$)	110.52	106.03	116.97	128.69	125.11	177.62	0.00	41.97%
86	RATIO 86 --- TOTAL CONTROLLABLE EXPENSES PER TOTAL KWH SOLD (MILLS) (SAME AS RATIO #103)	15.98	14.22	14.30	16.45	15.29	19.01	0.00	24.33%
87	RATIO 87 --- TOTAL CONTROLLABLE EXPENSES PER CONSUMER (\$) (SAME AS RATIO #104)	382.75	344.28	342.29	365.48	357.81	454.74	0.00	27.09%
88	RATIO 88 --- POWER COST PER KWH PURCHASED (MILLS)	39.75	41.87	40.76	40.11	40.89	39.55	0.00	-3.28%
89	RATIO 89 --- POWER COST PER TOTAL KWH SOLD (MILLS)	41.91	44.13	42.61	42.55	43.21	41.45	0.00	-4.07%
90	RATIO 90 --- POWER COST AS A % OF REVENUE	61.68	62.15	56.99	57.02	59.13	55.96	0.00	-5.36%
91	RATIO 91 --- LONG-TERM INTEREST COST PER TOTAL KWH SOLD (MILLS)	1.16	2.14	2.69	3.66	3.55	3.31	0.00	-6.76%
92	RATIO 92 --- LONG-TERM INTEREST COST AS A % OF TUP	0.55	0.89	1.00	1.22	1.20	1.08	0.00	-10.00%
93	RATIO 93 --- LONG-TERM INTEREST COST PER CONSUMER (\$)	27.89	51.85	64.33	81.25	83.10	79.28	0.00	-4.60%
94	RATIO 94 --- DEPRECIATION EXPENSE PER TOTAL KWH SOLD (MILLS)	5.12	5.31	5.55	6.55	6.90	7.61	0.00	10.29%
95	RATIO 95 --- DEPRECIATION EXPENSE AS A % OF TUP	2.40	2.20	2.06	2.18	2.34	2.48	0.00	5.98%
96	RATIO 96 --- DEPRECIATION EXPENSE PER CONSUMER (\$)	122.70	128.49	132.84	145.43	161.54	182.08	0.00	12.72%
97	RATIO 97 --- ACCUMULATIVE DEPRECIATION AS A % OF PLANT IN SERVICE	34.48	30.65	29.40	25.51	25.01	24.46	0.00	-2.20%
98	RATIO 98 --- TOTAL TAX EXPENSE PER TOTAL KWH SOLD (MILLS)	1.25	1.38	1.60	2.02	1.95	1.70	0.00	-12.82%
99	RATIO 99 --- TOTAL TAX EXPENSE AS A % OF TUP	0.59	0.57	0.59	0.67	0.66	0.55	0.00	-16.67%
100	RATIO 100 --- TOTAL TAX EXPENSE PER CONSUMER	29.97	33.32	38.33	44.82	45.55	40.62	0.00	-10.82%
101	RATIO 101 --- TOTAL FIXED EXPENSES PER TOTAL KWH SOLD (MILLS)	49.99	53.69	53.21	55.65	56.48	54.67	0.00	-3.20%
102	RATIO 102 --- TOTAL FIXED EXPENSES PER CONSUMER (\$)	1,197.61	1,299.67	1,273.30	1,236.36	1,321.46	1,307.73	0.00	-1.04%
103	RATIO 103 --- TOTAL OPERATING EXPENSES PER TOTAL KWH SOLD (MILLS)	15.98	14.22	14.30	16.45	15.29	19.01	0.00	24.33%
104	RATIO 104 --- TOTAL OPERATING EXPENSES PER CONSUMER (\$)	382.75	344.28	342.29	365.48	357.81	454.74	0.00	27.09%
105	RATIO 105 --- TOTAL COST OF SERVICE (MINUS POWER COSTS) PER TOTAL KWH SOLD (MILLS)	24.06	23.79	24.90	29.55	28.57	32.23	0.00	12.81%
106	RATIO 106 --- TOTAL COST OF ELECTRIC SERVICE PER TOTAL KWH SOLD (MILLS)	65.97	67.92	67.51	72.10	71.77	73.68	0.00	2.66%
107	RATIO 107 --- TOTAL COST OF ELECTRIC SERVICE PER CONSUMER (\$)	1,580.36	1,643.94	1,615.59	1,601.85	1,679.27	1,762.47	0.00	4.95%
108	RATIO 108 --- AVERAGE WAGE RATE PER HOUR (\$)	40.44	40.40	41.27	41.85	45.67	49.24	0.00	7.82%
109	RATIO 109 --- TOTAL WAGES PER TOTAL KWH SOLD (MILLS)	12.18	12.44	12.85	13.94	13.93	13.99	0.00	0.43%
110	RATIO 110 --- TOTAL WAGES PER CONSUMER (\$)	291.68	301.15	307.42	309.76	325.93	334.73	0.00	2.70%
111	RATIO 111 --- OVERTIME HOURS/TOTAL HOURS (%)	2.57	3.31	2.75	2.16	2.36	2.18	0.00	-7.63%
112	RATIO 112 --- CAPITALIZED PAYROLL / TOTAL PAYROLL (%)	24.67	28.42	25.63	25.32	23.70	22.12	0.00	-6.67%
113	RATIO 113 --- AVERAGE CONSUMERS PER EMPLOYEE	302.08	269.47	280.31	276.12	293.58	310.77	0.00	5.86%
114	RATIO 114 --- ANNUAL GROWTH IN KWH SOLD (%)	9.47	7.30	5.59	(1.43)	11.97	12.14	0.00	1.42%
115	RATIO 115 --- ANNUAL GROWTH IN NUMBER OF CONSUMERS (%)	5.74	6.20	6.80	6.18	6.32	9.68	0.00	53.16%

RATIO No.	RATIO DESCRIPTION	KRTA 2016	KRTA 2017	KRTA 2018	KRTA 2019	KRTA 2020	ESTIMATED RATIOS FOR 2021	Budget 2022	25%
116	RATIO 116 --- ANNUAL GROWTH IN TUP DOLLARS (%)	19.31	21.42	18.01	9.94	9.89	16.58	0.00	67.64%
117	RATIO 117 --- CONST W.I.P. TO PLANT ADDITIONS (%)	286.42	116.60	211.77	73.41	68.62	123.19	0.00	79.52%
118	RATIO 118 --- NET NEW SERVICES TO TOTAL SERVICES (%)	5.25	5.49	5.09	5.02	6.02	8.72	0.00	44.85%
119	RATIO 119 --- ANNUAL GROWTH IN TOTAL CAPITALIZATION (%)	53.73	19.99	27.35	3.14	12.40	8.46	0.00	-31.77%
120	RATIO 120 --- 2 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)	22.44	35.81	23.61	14.61	7.67	10.41	0.00	35.72%
121	RATIO 121 --- 5 YR. COMPOUND GROWTH IN TOTAL CAPITALIZATION (%)	9.36	13.37	18.02	18.76	22.19	13.95	0.00	-37.13%
122	RATIO 122 --- TUP INVESTMENTS PER TOTAL KWH SOLD (CENTS)	21.34	24.14	26.99	30.10	29.54	30.71	0.00	3.96%
123	RATIO 123 --- TUP INVESTMENT PER CONSUMER (\$)	5,111.51	5,844.37	6,457.83	6,686.29	6,910.91	7,345.88	0.00	6.29%
124	RATIO 124 --- TUP INVESTMENT PER MILE OF LINE (\$)	94,535.64	108,661.25	120,263.91	126,224.33	133,755.48	134,839.22	0.00	0.81%
125	RATIO 125 --- AVERAGE CONSUMERS PER MILE	18.49	18.59	18.62	18.88	19.35	18.36	0.00	-5.12%
126	RATIO 126 --- DISTRIBUTION PLANT PER TOTAL KWH SOLD (MILLS)	89.00	87.92	89.88	106.76	116.46	121.62	0.00	4.43%
127	RATIO 127 --- DISTRIBUTION PLANT PER CONSUMER (\$)	2,132.31	2,128.19	2,150.94	2,371.82	2,724.74	2,909.31	0.00	6.77%
128	RATIO 128 --- DISTRIBUTION PLANT PER EMPLOYEE (\$)	644,127.40	573,477.20	602,934.20	654,909.39	799,924.36	904,120.26	0.00	13.03%
129	RATIO 129 --- GENERAL PLANT PER TOTAL KWH SOLD (MILLS)	41.97	64.29	62.92	70.26	66.32	58.63	0.00	-11.60%
130	RATIO 130 --- GENERAL PLANT PER CONSUMER (\$)	1,005.60	1,556.22	1,505.71	1,560.96	1,551.76	1,402.41	0.00	-9.62%
131	RATIO 131 --- GENERAL PLANT PER EMPLOYEE (\$)	303,771.28	419,350.19	422,067.43	431,012.69	455,563.89	435,824.45	0.00	-4.33%
132	RATIO 132 --- HEADQUARTERS PLANT PER TOTAL KWH SOLD (MILLS)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
133	RATIO 133 --- HEADQUARTERS PLANT PER CONSUMER (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
134	RATIO 134 --- HEADQUARTERS PLANT PER EMPLOYEE (\$)	#N/A	#N/A	#N/A	#N/A	#N/A	0.00	0.00	#N/A
135	RATIO 135 --- TRANSMISSION PLANT PER TOTAL KWH SOLD (MILLS)	44.10	44.76	58.85	84.79	83.83	84.50	0.00	0.80%
136	RATIO 136 --- TRANSMISSION PLANT PER CONSUMER (\$)	1,056.48	1,083.37	1,408.23	1,883.74	1,961.43	2,021.38	0.00	3.06%
137	RATIO 137 --- TRANSMISSION PLANT PER EMPLOYEE (\$)	319,141.42	291,930.88	394,743.06	520,139.51	575,833.14	628,178.30	0.00	9.09%
138	RATIO 138 --- IDLE SERVICES TO TOTAL SERVICE (%)	0.30	0.28	7.93	7.65	7.18	6.75	0.00	-5.99%
139	RATIO 139 --- LINE LOSS (%)	4.75	4.71	3.70	5.02	4.70	3.96	0.00	-15.74%
140	RATIO 140 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - POWER SUPPLIER	5.90	0.00	0.00	0.00	1.50	0.90	0.00	-40.00%
141	RATIO 141 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - EXTREME STORM	0.00	43.53	0.00	0.00	0.00	0.00	0.00	#DIV/0!
142	RATIO 142 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - PREARRANGED	0.00	5.43	0.58	2.10	4.40	9.70	0.00	120.45%
143	RATIO 143 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - ALL OTHER	58.10	27.93	49.22	22.70	49.80	25.70	0.00	-48.39%
144	RATIO 144 --- SYSTEM AVG. INTERRUPTION DURATION INDEX (SAIDI) - TOTAL	64.00	76.89	49.80	24.80	55.70	36.30	0.00	-34.83%
145	RATIO 145 --- AVG. SERVICE AVAILABILITY INDEX (ASAI) - TOTAL (%)	99.99	99.99	99.99	100.00	99.99	99.99	0.00	0.00%

# **Attachment K**

## Electric Rates for Arizona

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

### ARIZONA RESIDENTIAL SERVICE

Service made available to Residential members of the Cooperative under this rate schedule shall be single phase 120/240 volts. If 50 percent or more of the electrical energy supplied to the premises is used for other than residential domestic purposes, the premises will be classified as non-residential and electric service shall be provided under the appropriate non-residential schedule.

Service Availability Charge:	\$29.00	per month
Energy Charge Billing Months October – May:	\$0.0660	per kWh
Energy Charge Billing Months June – September:	\$0.0660	per kWh

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
RESIDENTIAL SERVICE OPTIONAL TIME-OF-DAY

Service made available to Residential members of the Cooperative under this rate schedule shall be single phase 120/240 volts who voluntarily agree to the Time-of-Day rate conditions. If 50 percent or more of the electrical energy supplied to the premises is used for other than residential domestic purposes, the premises will be classified as non-residential and electric service shall be provided under the appropriate non-residential schedule.

Service Availability Charge: \$29.00 per month

Billing Months – June Through September

Off-Peak: Energy Charge: All kWh's @ \$0.0500 per kWh  
On-Peak: Energy Charge: All kWh's @ \$0.1000 per kWh

Time Periods: June through September billing months  
On-Peak: 3:30PM through 7:30PM  
Off-Peak: All other times not listed above.

Energy use during off-peak and on-peak periods will be monitored by utilization of a Time-of-Day meter.

Billing Months – October Through May

Energy Charge: All kWh's @ \$.0660 per kWh

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September on-peak energy are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
SMALL COMMERCIAL SERVICE  
(0-100 Amps)

Service made available to Small Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a maximum service size of 100 Amps.

Service Availability Charge:	\$29.00	per month
Energy Charge Billing Months October – May:	\$0.0660	per kWh
Energy Charge Billing Months June – September:	\$0.0660	per kWh

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
SMALL COMMERCIAL SERVICE  
(50 kW Maximum)

Service made available to Small Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a maximum demand of 50 kW. Such rate shall apply to members with usage that does not exceed the 50 kW maximum 7 months out of a calendar year.

Service Availability Charge:	\$39.00	per month
Energy Charge Billing Months October – May:	\$0.0570	per kWh
Energy Charge Billing Months June – September:	\$0.0570	per kWh
Demand Charge:	First 20 kW	\$0.00
	Additional kW	\$10.50 per kW per month

**POWER FACTOR:** The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

**WHOLESALE POWER COST ADJUSTMENT:** The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

**WHOLESALE PEAK SEASON COST ADJUSTMENT:** The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
LARGE COMMERCIAL  
(2499 kW Maximum)

Service made available to Large Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW.

Service Availability Charge:	\$60.00	per month
Energy Charge Billing Months October – May:	\$0.0320	per kWh
Energy Charge Billing Months June – September:	\$0.0320	per kWh
Demand Charge:	\$10.50	per kW per month

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending

member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
LARGE COMMERCIAL TIME-OF-USE SERVICE  
(2499 kW Maximum)

Service made available to Large Commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW.

Service Availability Charge:	\$60.00	per month
Demand Charge:	\$5.00	per kW per month

Off-Peak:

Energy Charge: All kWh's @ \$0.0320 per kWh

On-Peak:

Energy Charge: All kWh's up to 20kWh/kW @ \$0.3000 per kWh

Energy Charge: All other kWh's @ \$0.0320 per kWh

Demand and Energy use during off-peak and on-peak periods will be monitored by utilization of a Time-of-Use meter.

Winter Schedule: November 1 through March 31  
On-Peak: 7:00AM through 9:00AM  
Off-Peak: All other times not listed above.

Summer Schedule: April 1 through October 31  
On-Peak: 3:30PM through 7:30PM  
Off-Peak: All other times not listed above.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months April through October are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
INDUSTRIAL  
(2500 kW Minimum)

Service made available to Industrial members of the Cooperative under this rate schedule shall be for non-domestic use, three phase with a minimum demand of 2500 kW.

Service Availability Charge:	\$15.00	per kW per month
Demand Charge:	\$31.715	per kW per month
Energy Charge:	Monthly Market Index	

“Monthly Market Index” for each Billing Period shall be equal to the highest forward price during the last five (5) trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month (“Prompt Month”) for which such Monthly Market Index is to be determined, for firm power forward contracts, delivered at Palo Verde (“PALO”), as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.

**POWER FACTOR:** The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

**POWER QUALITY:** The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

PERFORMANCE ASSURANCE: As a condition to receiving any service hereunder, member will transfer Performance Assurance to or for the benefit of the Cooperative in an amount equal to the Collateral Requirement, at least fifteen (15) days prior to commencement of any service hereunder and shall at all times maintain Performance Assurance as a condition of continued service hereunder in an amount at least equal to the Collateral Requirement.

“Performance Assurance” means a security deposit collateral in the form of a standby Letter of Credit or performance bond and/or other security in form and subject to terms and conditions that are acceptable to the Cooperative in its sole and absolute discretion.

“Collateral Requirement” means an amount (not less than zero) calculated by the Cooperative as follows: 100% of the amount to be paid pursuant to the terms of this rate schedule for all deliveries of electric power and energy and other services or charges to member hereunder for a period of ninety (90) days, based on the Cooperative’s reasonable estimate of the rates and charges expected to be incurred for service to member on account of all loads hereunder.

CONTRACT OPTION: The Cooperative may offer negotiated contracts with terms of three years or longer, with substantial take-or-pay provisions for targeted demand and energy, with rates and terms more favorable than this tariff.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
HIGH DENSITY  
(200 kW Minimum with Density greater than 250 kWh/square foot)

Service made available to High Density members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase, with a minimum demand of 200 kW and a minimum load density of 250 kWh/square foot or if, in the Cooperative's business judgment, the member is physically capable of relocation within an abbreviated time interval, and placed into operation for similar business purposes.

Service Availability Charge:	\$15.00	per kW per month
Demand Charge:	\$31.715	per kW per month
Energy Charge:	Monthly Market Index	

"Monthly Market Index" for each Billing Period shall be equal to the highest forward price during the last five (5) trading days of the previous calendar month for firm electric power and energy for all calendar days during the subsequent calendar month ("Prompt Month") for which such Monthly Market Index is to be determined, for firm power forward contracts, delivered at Palo Verde ("PALO"), as determined by the Cooperative in any commercially reasonable manner based on published 7 x 24 hour prices or a weighted average on-peak and off-peak prices (based on the respective hours in each period during the Prompt Month). If published forward price data is unavailable for any calendar month, the Cooperative shall obtain at least two representative price quotes from power marketers or brokers and shall base its determination of the Monthly Market Index on such good faith indicative price quotes.

**POWER FACTOR:** The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

**POWER QUALITY:** The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending

member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

PERFORMANCE ASSURANCE: As a condition to receiving any service hereunder, member will transfer Performance Assurance to or for the benefit of the Cooperative in an amount equal to the Collateral Requirement, at least fifteen (15) days prior to commencement of any service hereunder and shall at all times maintain Performance Assurance as a condition of continued service hereunder in an amount at least equal to the Collateral Requirement.

“Performance Assurance” means a security deposit collateral in the form of a standby Letter of Credit or performance bond and/or other security in form and subject to terms and conditions that are acceptable to the Cooperative in its sole and absolute discretion.

“Collateral Requirement” means an amount (not less than zero) calculated by the Cooperative as follows: 100% of the amount to be paid pursuant to the terms of this rate schedule for all deliveries of electric power and energy and other services or charges to member hereunder for a period of ninety (90) days, based on the Cooperative’s reasonable estimate of the rates and charges expected to be incurred for service to member on account of all loads hereunder.

CONTRACT OPTION: The Cooperative may offer negotiated contracts with terms of three years or longer, with substantial take-or-pay provisions for targeted demand and energy, with rates and terms more favorable than this tariff.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
OFF-PEAK SERVICE  
(2499 kW Maximum)

Service made available to large commercial members of the Cooperative under this rate schedule shall be for non-domestic use, single or three phase with a minimum demand of 50 kW and a maximum demand of 2499 kW. Service rendered hereunder shall be interruptible at member's election. The member will reimburse the Cooperative for all metering and load management equipment costs incurred.

Service Availability Charge: \$60.00 per month

Energy Charge Billing Months October – May: \$0.0320 per kWh

Energy Charge Billing Months June – September: \$0.0320 per kWh

- Demand Charge:
1. 5.00 per kW per month for use at off-peak times specified by the Cooperative.
  2. 12.50 per kW per month for use at times other than those specified in part 1 above.

Load shall be interrupted using one of the following options as determined by the Cooperative.

1. Utilizing the Cooperative's current load management system. Such interruption will be automatic during peak hours.
2. Member will interrupt loads daily during the Cooperative's designated peak hours. This will be monitored by utilization of a Time-of-Use meter.

Winter Schedule: November 1 through March 31  
On-Peak: 7:00AM through 9:00AM  
Off-Peak: All other times not listed above.

Summer Schedule: April 1 through October 31  
On-Peak: 3:30PM through 7:30PM  
Off-Peak: All other times not listed above.

3. For member loads which are periodic, member will contact the Cooperative daily during periods of use to determine peak hours.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates are subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months June through September are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
IRRIGATION PUMPING SERVICE  
(2499 kW Maximum)

This schedule is available to qualifying members of the Cooperative receiving service for irrigation pumping, and is applicable to all irrigation services with a 10 H.P. minimum.

Service Availability Charge:		\$60.00 per month
Energy Charge:	0 to 134 kWh's per kW (0 to 100 kWh's per H.P.)	\$0.0896 per kWh
	Over 134 kWh's per kW (Over 100 kWh's per H.P.)	\$0.0561 per kWh

The kW for billing purposes shall be the maximum kW used during each month.

Service under this rate schedule will be disconnected at the end of October, unless prior arrangements are made. Those whose service remains connected will be billed monthly for the Service Availability Charge plus kWh charges.

Service under this rate schedule will be connected in April, unless prior arrangements are made. Members connected in April are not charged a connect fee, but those connecting at any other time will be charged a \$30 connect fee.

POWER FACTOR: The member shall maintain not less than a 95% lagging power factor. Those members which are determined to have power factors of less than 95% lagging shall have the demand for billing purposes increased by 1% for every 1% that the power factor is less than 95%.

WHOLESALE POWER COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above energy charge for over 134 kWh per kW is subject to the imposition of any purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

WHOLESALE PEAK SEASON COST ADJUSTMENT: The foregoing rates are based upon the Cooperative's cost of purchased power. The above rates for billing months April through October are subject to the imposition of any peak season purchased power adjustment either upward or downward which may be established and approved for billing from time to time under established procedures.

POWER QUALITY: The required levels of current or voltage distortion shall be within the levels outlined in IEEE Standard 519-2014, IEEE Recommended Practices and Requirements for Harmonic Control in Electric Power Systems, or any successor IEEE standard. When problems are brought to the attention of the Cooperative, the Cooperative will measure the total and individual order harmonic distortion currents and will share such information obtained with the member. Members needing to take corrective actions to eliminate excessive harmonics and their effect on other members shall be notified of such need in writing and shall be given ninety (90) days following notification to make corrections which eliminate problems. If the offending member does not eliminate problems within ninety (90) days following notification, the Cooperative shall, at its sole option, take corrective actions and bill member for expenses of such corrective actions or may disconnect service.

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
STATE HIGHWAY LIGHTING  
(400 Watt Maximum)

Available to State Highway Lighting projects of the Cooperative.

Monthly Charge:           \$14.88 per light

Effective:

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION  
71 EAST HIGHWAY 56  
BERYL, UTAH 84714

ARIZONA  
AREA/STREET LIGHTING  
(200 Watt Maximum)

Available to all customers of the Cooperative.

Monthly Charge:           \$12.00 per light

Effective:

# **Attachment L**

**DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.**

**RATES AND CHARGES FOR OTHER SERVICES**

<b><u>Description of Service</u></b>	<b><u>Rate</u></b>
Connect Fee - Regular Hours	\$30.00
Connect Fee - After Hours*	\$75.00 / \$50.00
Meter Testing Fee**	\$60.00
Meter Reread Fee	\$30.00
Insufficient Funds Check	\$25.00
Trip Charge***	\$20.00
Account Change (No Service Call)	\$10.00
Tampering****	\$200.00 plus Usage & Cost
Late Payment (Per Month & Per Unpaid Balance)	1.50%
Deposit*****	
Interest Rate Paid by Cooperative on Member Deposits	6.00%

\* This fee (\$75 for in-person service and \$50 for remote) is not charged in addition to the Regular Hours Connect Fee.

\*\* This fee will apply if a meter test is less than 2% in error and the meter has been tested more than once during a 12-month period.

\*\*\* This charge will be applied only when a Member is subject to in-person disconnection for non-payment, the service order has been processed, and a meter technician has been dispatched.

\*\*\*\* \$200 plus the estimated usage and the cost to repair or replace the damaged meter.

\*\*\*\*\* Shall not exceed three times the average monthly bill.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

INDEX OF  
ELECTRIC SERVICE REGULATIONS  
STATE OF ARIZONA

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DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 1

STATE OF ARIZONA

GENERAL PROVISIONS

1. These Electric Service Regulations are designed to govern the supplying and receiving of electrical service to all who desire it within the Cooperative's service area at the lowest price consistent with the highest standards of service.
2. These Regulations supersede all previous regulations, and may be revised upon approval of the regulatory authority.
3. To the extent a specific term of condition of service is not addressed herein, the rules regulating electric service prescribed by the Arizona Corporation Commission are hereby adopted and are made a part of these Regulations and Tariff.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 2

STATE OF ARIZONA

GENERAL DEFINITIONS

The following terms when used in this Tariff and in the Application or Agreement for Electric Service shall have the meanings given below unless clearly indicated otherwise:

- (a) Cooperative - Dixie-Escalante Rural Electric Association, Inc.
- (b) Member - An individual, partnership, corporation, organization, governmental agency, political subdivision, municipality or other entity contracting with the Cooperative for electric service at one location and at one point of delivery.
- (c) Electric Service - The availability of electric power and energy at the Member's point of delivery at the approximate voltage and for the purposes specified in the Application for Electric Service, Electric Service Agreement or Contract, irrespective of whether electric power and energy is actually used.
- (d) Point of Delivery - The point, unless otherwise specified in the Application for Electric Service, Electric Service Agreement or Contract, at which the Cooperative's service wires are connected with wires or apparatus of the Member. If the Cooperative's service wires are connected with wires or apparatus of the Member at more than one point, each connecting point shall be considered a separate Point of Delivery, unless the additional connecting points are made by the Cooperative for its sole convenience in supplying service. Any additional service supplied by the Cooperative at a different voltage or phase classification shall also be considered a separate Point of Delivery. Each Point of Delivery shall be separately metered and billed.

- (e) Member's Installation - The wiring and apparatus owned by the Member and on his side of the Point of Delivery (except the Cooperative's meter installation) useful in connection with the Member's ability to take service.
- (f) Power - Electric Power measured in kilowatts (kW). For billing purposes, Power is the Member's maximum use of electricity shown by or computed from the readings of Cooperative's kilowatt meter for a 15-minute period, unless otherwise specified in the applicable rate schedule; at the option of the Cooperative, it may be determined either by periodic tests or by permanent meters. Power peaks due to accidents which the Member could not have guarded against will be disregarded.
- (g) Energy - Electric Energy measured in kilowatt-hours. For billing purposes, Energy is the Member's total use of electricity measured in kilowatt-hours during any month.
- (h) Month - The period of approximately thirty (30) days intervening between regular, successive meter reading dates.
- (i) Year - The period between the date of commencement of service under Application for Electric Service, Electric Service Agreement or Contract and the same day of the following calendar year.
- (j) Power Factor - The percentage determined by dividing Member's average power use in kilowatts (Real Power) by the average kilovolt-ampere power load (Apparent Power) imposed upon Cooperative by Member.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 3

STATE OF ARIZONA

ELECTRIC SERVICE AGREEMENTS

1. Application for Service

Each prospective Member desiring electric service shall be required to sign the Cooperative's standard Application for Service and associated Right-of-Way forms.

2. Implied Service Agreement

In the absence of a signed Agreement or Application for Service, the delivery of electric service by the Cooperative and the acceptance thereof by the Member shall be deemed to constitute an agreement by and between the Cooperative and the Member for delivery and acceptance of electrical service under the terms of the rate applicable to such service.

3. Electric Service Agreement, Rate Schedule, and Electric Service Regulations

These regulations and the applicable rate schedule are hereby made a part of each agreement for purchase of power, expressed or implied. In case of a conflict between any of the provisions of the agreement of purchase of power, Rate Schedule and the Electric Service Regulations, the provisions of the Rate Schedule will take precedence.

4. Renewal and Termination

At the expiration of the term stated in the agreement for purchase of power, or any renewal thereof, or any extended term thereof, the agreement for purchase of power shall be automatically renewed for a like term, unless either the Cooperative or the Member notifies the other in writing six (6) months prior to termination date or unless otherwise stated in the agreement for purchase of power.

5. Members Obligation to Fulfill Agreement

Where the Member entirely suspends operations during the agreement period, the Member is still obligated to pay the minimum rates as set by the agreement for purchase of power until such agreement terminates.

6. Remedies For The Cooperative

For any default or breach by Member of a service agreement or failure to pay bills promptly, Cooperative may terminate the service agreement or suspend the supply of service. No such termination or suspension will occur without at least ten (10) days written notice to the Member stating in what particular manner the agreement for purchase of power has been violated, except in cases of theft or unauthorized use or disposition of service by Member or in case of a dangerous condition on a Member's side of the point of delivery of which the Cooperative is made aware.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 4

STATE OF ARIZONA

SUPPLY & USE OF SERVICE

1. Supply of Service

The Cooperative rates are based upon the furnishing of electric service to a Member at a single point of delivery and at a single voltage and a specified phase classification. Each individual residential user, each separately operated business activity, and each separate building will be considered an individual Member for billing purposes; except that, if several buildings are occupied and used by one Member in the operation of a single business, the Cooperative will furnish service for the entire group of buildings through one service connection at point of delivery, provided all such buildings are located on contiguous property not separated by property of other ownership or divided by public streets, roads, alleys, other public thoroughfares, railroad tracks or waterways.

2. Member's Use of Service

Electric Service will be supplied only under the applicable rates to be determined from time to time in accordance with the Bylaws of the Cooperative, provided however that the Cooperative may limit the amount of electric energy to be furnished for industrial uses.

3. Continuity of Service

The Cooperative shall use reasonable diligence to provide a constant and uninterrupted supply of electrical power and energy but, if such supply should fail or be interrupted or become defective through an act of God, the public enemy, by accident, strikes, labor trouble, by action of the elements or inability to secure right-of-way or other permits needed or for any other cause beyond the reasonable control of the Cooperative, the Cooperative shall not be liable therefore.

4. Strikes, Accidents and Restrictions

Strikes, labor troubles, accidents, litigations, State, Federal or local government interference or other causes affecting third parties shall not relieve Member of liability for payment of minimum bills or any term minimum guarantees.

5. Suspension of Service for Repairs and Changes

For the purpose of making repairs to or changes in Cooperative plant, generating equipment, transmission or distribution system or other property, the Cooperative may, without incurring any liability therefrom, suspend service for such period as may be required but will endeavor to avoid unnecessary inconvenience to the Member. Whenever possible the Cooperative will give reasonable notice prior to suspension of service.

6. Member's Responsibility

The Member assumes all responsibility on the Member's side of the point of delivery for service supplied or taken and will indemnify and defend the Cooperative against all claims, demands, costs or expenses for loss, damage or injury to persons or property in any manner connected directly or indirectly with the transmission or use of electric service by the Member at or on the Member's side of the point of delivery.

7. Access to Premises

The Cooperative shall be granted by the Member all the necessary permission to enable the Cooperative to install and/or maintain, reconstruct, rephase, repair and operate the electrical installation in order to carry out its contract. The Cooperative shall have the right, through its agents or other employees, to enter upon the premises of the Member at all reasonable times for the purpose of reading, inspecting, removing metering devices, apparatus and wiring of the Cooperative and for all other purposes incident to the supplying or discontinuance of service.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 5

STATE OF ARIZONA

MEMBER'S INSTALLATION

1. Member's Installation and Equipment

All wires and equipment (except Cooperative's meters and accessories) on the Member's side of the point of delivery must be installed and maintained at the expense of the Member. All wires, apparatus and equipment shall be selected with a view to obtaining safety, efficiency, good voltage regulation, and the highest practical power factor and shall comply with the standards of the National Electrical Safety Code issued by the National Bureau of Standards and the National Electric Code of the National Board of Fire Underwriters and also with regulations of any governmental authority having jurisdiction.

2. Service Entrances and Connections

The Member shall provide a suitable service entrance to the premises to be served at the point specified by the Cooperative. Such entrance facilities shall provide a structurally sound point of attachment or support for the Cooperative's service conductors which will permit the clearances required by law.

3. Member Load and Operations

The Cooperative reserves the right to refuse to connect or supply service to any applicant or to any Member where such connection or service will adversely affect the service supplied to its other Members or where the applicant or Member has not complied with state, municipal or Cooperative regulations.

Suitable protective devices on the Member's premises may be required at Member's expense whenever the Cooperative deems such installation necessary to protect its property or that of its other Members.

The Member shall provide devices adequate to protect his equipment from high and low voltage and from overload. Three-phase

motors should be protected against reversal of phase rotation and 'single-phasing'. The Cooperative will make every reasonable effort to avoid phase-reversal and 'single-phasing' but the Member should provide adequate protection for his equipment.

4. Inspection by Cooperative

The Cooperative shall have the right, but does not assume the duty, to inspect Member's installation at any reasonable time and to refuse to commence or to continue service whenever it does not consider such installation to be in good operating condition. Inspection of or failure to inspect by the Cooperative any Member installation shall in no way render liable the Cooperative for any injury or damage resulting from such installation of the Member.

5. Highly Fluctuating Loads

The Cooperative reserves the right to refuse to supply service to loads of a character which may seriously impair service to any Member and shall have the right to discontinue service to the Member who shall continue to use appliances or apparatus detrimental to the service to any other Member after being notified thereof in writing by the Cooperative.

6. Changes in Installation

The Cooperative's wires, transformers, meters, and other facilities used in supply of service to Member have a definite limited capacity. Member shall therefore give notice to the Cooperative and obtain Cooperative permission before making any material changes or increases in Member's installation. The Cooperative reserves the right to refuse permission and/or to advise the Member upon what conditions service can be supplied.

7. Cooperative's Responsibility

Nothing in the Electric Service Regulations shall be construed as placing upon the Cooperative any responsibility for the condition or maintenance of the Member's wiring, current consuming devices or other equipment, and the Cooperative shall not be held liable for any loss or damage resulting from defects in the Member's installation and shall not be held liable for damage to persons or property arising from the use of the service on the premises of the Member.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 6

STATE OF ARIZONA

COOPERATIVE INSTALLATION

1. Cooperative's Installation

Except as otherwise provided in the Service Regulations, in the agreement for the purchase of power or Rate Schedules, the Cooperative will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment except meters and accessories beyond that point. Only agents of the Cooperative are authorized to connect Cooperative's supply wires to Member's service terminals.

2. Cooperative Property

All lines, apparatus, instruments, meters and materials furnished and installed by the Cooperative at its expense within the Member's premises shall be and remain the property of the Cooperative and may be removed by the Cooperative upon discontinuance of service. In the event of loss or damage to the Cooperative's property rising from neglect, carelessness or misuse by the Member, the cost of necessary repairs or replacement shall be paid by the Member.

3. Service From Existing Lines

Service will be supplied to the Member from the Cooperative's nearest line of sufficient capacity and appropriate phase and voltage to furnish adequate service under applicable rate schedule.

4. Relocation of Lines

The Cooperative will relocate its lines when such relocation is necessary, practical and justified. The Cooperative shall be sole judge of the circumstances concerning necessity, practicality and justification for relocation. If property owner requests relocation of lines on his property he shall bear the cost.

5. Right-of-Way

Member shall make or secure, without expense to the Cooperative, conveyance for the Cooperative of satisfactory Right-of-Way easements across the property owned or controlled by the Member for the Cooperative's lines or extensions thereof necessary or incidental to the furnishing of service to the Member and shall permit access thereto by the Cooperative's employees at all reasonable hours. The Member shall permit the Cooperative to cut and trim and control the growth by chemical means, machinery or otherwise of trees and shrubbery located within twenty (20) feet of the center line of said line or system. Other right-of-way easements shall be provided to the Cooperative without cost to the Cooperative.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 7

STATE OF ARIZONA

METERING

1. Installation

The Member shall make provision for the connections of metering equipment at a convenient place, readily accessible without risk of bodily harm to Cooperative employees, free from vibration, corrosive atmosphere, and abnormal temperatures in which to install the Cooperative's metering equipment and shall furnish a meter base for Cooperative's meter. All meter locations and provisions for connecting metering equipment are subject to approval by the Cooperative. The Cooperative will furnish, install and maintain at its own expense the necessary meter or electric service used by the Member. The Member shall provide and maintain a satisfactory location for the installation without expense to the Cooperative. Where the character of the service requires a graphic meter, the chart of which must be changed weekly, the Member will provide attendance when requested by the Cooperative to care for and change the meter charts as required. The Member will not interfere with or alter or permit interference with or alteration of the Cooperative's meter or other property.

2. Failure to Register

If the Cooperative's meter shall fail at any time to register accurately, the Cooperative may estimate Member's power and energy during the time of such failure on the basis of the best available data. If any appliance or wiring connections are found on Member's premises which prevent the meter from accurately recording the total amount of power and energy used on the premises, the Cooperative may at once remove such wiring or appliance and may estimate the power and the amount of energy consumed and not registered as accurately as it is able to do so. The Member will immediately pay for such estimated power and energy consumption together with the expense of removing any such wiring or appliances and restoring the equipment of the Cooperative to its normal operating conditions. The Cooperative may also refuse further service or require the Member to make such changes in his wiring installation as the Cooperative deems proper.

### 3. Meter Testing and Rereading

Cooperative will test and inspect its meters from time to time and maintain their accuracy of registration in accordance with generally accepted practices and the rules and standards established by applicable regulatory authorities. If any such special test shows the average registration of a meter to be in error by more than 2% fast or slow, the Cooperative will bear the cost of test. If the amount of error is less than 2%, the Member will bear the cost of the test unless the meter has not been tested at the Member's request within twelve (12) months immediately preceding such request. When an average error of more than 2% is determined, the Cooperative will make a refund where the meter is fast and the Member will pay the difference where the meter is slow. The billing adjustment for residential and commercial service will be made only for one-half (1/2) the period intervening since the last test but not to exceed six (6) months. In case of pump wells having a faulty meter a water reading may be used to compute the percent of error for the season.

The cost to the Member if a meter test is less than 2% in error and the meter has been tested more than once during the 12-month period shall be \$60.00.

Members requesting meter rereads shall be charged a fee of \$30.00 per reread.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 8

STATE OF ARIZONA

BILLING

1. Rate Schedules

The rates prescribed by all Rate Schedules are subject to revision upon approval of the Board of Directors of the Cooperative and following approval of the Arizona Corporation Commission.

2. Billing Period

Bills ordinarily will be rendered monthly, but may be rendered more frequently or at different intervals at the option of the Cooperative. Estimated bills will be rendered when regular meter readings are not secured.

3. Address of Members

Bills will be mailed to the address of the Member appearing in the Application for Electric Service or to such address as Member may request. When Member vacates the premises where service is received his contract shall continue in effect until he notifies the Cooperative to cancel or transfer said agreement.

After mailing, the Cooperative assumes no responsibility for lost bills.

4. Separate Billings

At each point of delivery the use of service shall be metered and/or billed separately for each Member served.

5. Payment of Bills

Bills for electric service supplied during the preceding billing period are due and payable when rendered. A Member will have twenty (20) days from the date the current bill was prepared to pay the new balance, which date shall be the statement due date. In the event the Member tenders a payment of less than the full amount of the bill rendered, the Cooperative will apply said

payment pro rata first to the charges in default and interest and the remainder, if any, to the current monthly charges unless otherwise agreed to by the Cooperative.

6. Return Check and Late Payment Charges

In the event the Member tenders a check in payment of his bill and said check is returned by the bank unpaid because of insufficient funds or any other reason, Member will be charged a handling and administration fee of \$25.00.

Commencing on each billing date, a late charge of one and one-half percent (1 1/2%) per month (annual percentage rate of 18%) will be assessed against any unpaid balance. With the exception of disconnection charges, reconnection charges and return check service charges, no other charge, whether described as a finance charge or service charge, will be applied to any residential account for failure to pay an outstanding bill by the statement due date.

7. Account Change Fee

If a Member requires a name change to his account (such as a landlord rollover or divorce), the Member shall pay a \$10.00 account change fee, and the Member being removed from the account will receive no charge.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 9

STATE OF ARIZONA

DEPOSITS

1. Deposits

The Cooperative may require a deposit from any existing or prospective Member to guarantee payment of bills in the absence of a credit reference satisfactory to the Cooperative. Such deposit shall not exceed three (3) times the average monthly bill for the service desired.

2. Interest

Simple interest, computed from the date of deposit at the rate of 6% per annum, will be paid by the Cooperative upon all such deposits which have been held continuously by the Cooperative for a period of six (6) months or longer. Deposits with accrued interest, if any, will be repaid at the end of twelve (12) months, or sooner at the option of the Cooperative, unless the Member has failed to regularly and promptly pay all bills for service. When in the sole judgement of the Cooperative an extraordinary credit risk exists, the Cooperative may hold the deposit of the Member for a period longer than twelve (12) months even though the Member has regularly and promptly paid all bills for service. Upon settlement of a Member's account, any unused balance of the deposit with accrued interest, if any, will be returned to the Member. In computing interest, consideration shall be given only to major parts of months or dollars. Interest on Member deposits shall cease upon discontinuance, for any reason, of service to the Member.

3. Non-Payment of Bills

An applicant for electric service who is a former Member of the Cooperative and whose service was discontinued for non-payment of bills will be required to make payment of all amounts remaining unpaid from his previous service in addition to a suitable deposit not to exceed three (3) times the estimated average monthly bill.

4. Payment of Amounts Due and Owing

The Cooperative may apply all or any part of the Member's deposit to the payment of amounts due and owing the Cooperative for service rendered; and if Member shall fail to restore any such deposit to its full amount within thirty (30) days after written request for restoration is mailed by Cooperative to Member, Cooperative may discontinue service until deposit is restored to its full amount.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 10

STATE OF ARIZONA

LINE EXTENSION POLICY

1. General Provisions

The Cooperative will provide electric service within the boundaries of its service area when rights-of-way are furnished, and the applicant complies with the conditions of one of the following classifications as determined by the Cooperative. The Cooperative will own, operate and maintain all extensions made under this rule.

- a. "Permanent Service", as herein defined, includes service to residential, irrigation, and commercial when the use of service, both as to amount and permanence, can be assured.
- b. "Indeterminate Service", as herein defined, includes but is not limited to service to mines, quarries, oil wells, industrial, manufacturing, and large commercial enterprises of speculative nature, real estate subdivisions, mobile homes and recreational vehicles, property being developed for sale, enterprises where there is little or no immediate demand for service by any other consumer, seasonals, and other service (except that defined hereinafter as "Temporary") where the amount and permanence of use cannot reasonably be assured.
- c. "Temporary Service" as herein defined, includes but is not limited to service to circuses, bazaars, fairs, concessions and similar enterprises, construction work, etc., of a temporary nature, and ventures of such uncertain speculative nature that their permanence is questionable; such as mining or oil and gas production operations, etc., which, during the preliminary or development period of same, may, at Cooperative's option, be classified in this category of service.

Construction Advances will be calculated to reflect the estimated construction costs as determined by the Cooperative. An estimate fee will be charged before an estimate is calculated. This fee will be credited towards the construction advance.

2. Extension for Permanent Service

The applicant will be required to make a Construction Advance for the entire construction investment.

3. Extension for Indeterminate Service

- a. The applicant will be required to make a Construction Advance for the entire construction investment.
- b. Platted developments being subdivided for future potential residential homesites will require a Construction Advance to be made to cover the costs of the basic backbone primary system being installed. A standard 200 amp service will be allowed for indeterminate services, both overhead and underground.

4. Extension for Temporary Service

- a. For service classified as "Temporary", the Cooperative shall require applicant to pay the Cooperative in advance of construction an amount equivalent to the Cooperative's estimate of the total cost of construction and removal of the extension. This estimate will include salvage value if any.
- b. Service provided to a temporary extension shall be billed in accordance with the rate schedules applicable.
- c. The Cooperative may refuse to connect additional consumers to temporary extensions.
- d. Service over a temporary extension will not be continued for a period longer than eighteen (18) months; and if consumer desires service thereafter, said continued service shall be furnished under the terms of either the "Permanent" or "Indeterminate" plan, if the Cooperative's estimate of the future use of service justifies the continued operation and maintenance of the line.

5. Extension for Underground Power Lines

Primary and/or secondary underground power lines will be supplied upon request when feasible. The consumer will pay a Construction Advance of 100% of the actual costs of construction for the primary and/or secondary power lines and related power equipment.

Meter loops and secondary extensions from the point of service to the Cooperative's transformers or secondary pedestals shall be the responsibility of the consumer, but must meet the inspection standards of the Cooperative.

The Cooperative will install, own and maintain all underground facilities to the point of delivery. The Member may, at the Cooperative's discretion, be required to provide the excavation, bedding material as required, back fill of trenches, and ground restoration.

6. Large Industrial Loads

Large industrial loads involving special construction or circumstances will be individually analyzed and the provisions of the extension policy applied as agreed upon.

7. Idle Services

For services determined to be idle, the Cooperative may exercise its option to remove said service and use the materials elsewhere. Should the consumer require service at that location at some future date, he will be given service according to the provisions of this policy under the applicable classification as determined by the Cooperative.

8. Street Light Installation and Maintenance

- a. Developers desiring street lights shall pay the estimated costs of construction in advance to have street lights installed by the Cooperative before construction begins. Street light design and specifications shall be approved by the Municipality in which street light service will occur.
- b. Property Owners desiring street lights in existing subdivisions shall pay the estimated cost of construction to have street lights installed by the

Cooperative in three (3) annual installments with the first installment being due before construction begins. Street light design and specifications shall be approved by the Municipality in which street light service will occur. Property Owners shall sign a Street Light Installation Agreement before the installation of street lights will occur. If any of the annual installment payments are not received in a timely manner, the Cooperative may remove the street light until payment is received.

- c. Maintenance of street lights will be completed at no cost to the Developer/Property Owners by the Cooperative on all standard street lights. Standard street lights consist of existing Cobra Head style and Ornamental Decorative style street lights supplied and warehoused by the Cooperative.
- d. Maintenance of non-standard street lights will be completed by the Cooperative and the Developer/Property Owners agree to reimburse the Cooperative for any labor performed in excess of one (1) hour per street light per year at the Cooperative's standard hourly billing rate. Developer/Property Owners shall supply, stock and warehouse any replacement parts for maintenance of non-standard street lights.

9. Impact Fees

All applicants for new service or reconnection of idle service are subject to payment of an impact and connect fee as determined on the attached 'SCHEDULE A'.

ELECTRIC SERVICE REGULATION NO. 10  
 SCHEDULE 'A'  
 IMPACT FEES

<b>Service Size</b>	<b>Impact Fee</b>
<u>Residential and Single Phase Small Commercial</u>	
Overhead System Connection	
0 to 60 AMPS	\$ 825.00
61 TO 200 AMPS	\$4425.00
Each additional 200 AMPS, or portion thereof	\$2925.00
Underground System Connection	
0 to 60 AMPS	\$1050.00
61 TO 200 AMPS	\$5925.00
Each additional 200 AMPS, or portion thereof	\$4425.00
<u>All Commercial, Irrigation, etc.</u>	
Installed Capacity	\$123.00/kVA
	<b>Connect Fee</b>
All Services	\$30.00

Impact and connect fees are subject to change as necessary. Such necessity to be determined by the Board of Directors of Dixie Escalante Rural Electric Association, Inc.

DIXIE ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 11

STATE OF ARIZONA

TAXES

I. General

In the event any taxing body shall impose or increase any franchise, occupation, sales, license, excise or other tax or charge of any kind or nature, including taxes or charges based upon electricity sold or the receipts or income therefrom, the Cooperative at its discretion, may add the pro-rata amount thereof and separately itemized and bill all Members in the area or locality in which such tax or charge applies.

2. Taxes and Fees

Taxes and fees of the prevailing rates shall be separately itemized on each Member's power bill.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 12

STATE OF ARIZONA

SERVICE TERMINATION

1. Authority

The procedures, terms, and conditions described herein are authorized by the Arizona Corporation Commission pursuant to Decision No. 77364 and A.A.C R14-2-214.

2. Payment Options and Disconnection for Non-Payment

- a. In addition to submitting payment by mail, Arizona Members may pay bills in-person at the payment kiosk located at 3352 East Old Pioneer Road, Beaver Dam, AZ 86432, as well as online and by phone, twenty-four (24) hours a day.
- b. Disconnections may be performed in-person or remotely, between the hours of 9:00AM and 4:00PM, but may not be performed Friday through Sunday or on the day of or day before a State or Federal holiday.
- c. The Cooperative will issue written notices regarding non-payment by mail (or by the Member's preferred method of communication, if on file with the Cooperative) five (5) days after the bill due date and, if necessary, twelve (12) to fourteen (14) after the due date. The notices will identify the delinquent balance, payment options, and services available to assist Members in financial need.
- d. The Cooperative will also contact the Member by phone, by placing an automated call on the same date as the second written notice. If the automated call does not reach the Member, a Cooperative employee will attempt a personal call.
- e. If the Cooperative is unable to reach a residential Member by phone, the Cooperative will attempt in-person notification by visiting the residence at least

forty-eight (48) hours prior to the anticipated day of disconnection and knocking on the door as well as placing a door-hanger notice.

- f. On the evening before or the day of the anticipated disconnection, the Cooperative will attempt to reach the Member again by telephone. The Cooperative will also review the Member's information to identify circumstances that may warrant further extension or alternative payment arrangements, such as evidence that the Member is on life support equipment, has some other documented medical condition, or if the Member has a good payment history.
- g. If the Member cannot pay the full delinquent balance amount, the Member and the Cooperative may enter into a deferred payment agreement for up to twelve (12) months. However, if the Member breaches the agreement, the Cooperative may discontinue service without additional notice.
- h. The Cooperative will not disconnect service if the delinquent balance is less than \$60.00.

### 3. Discontinuance of Service for Other Reasons

The Cooperative reserves the right to discontinue service for any of the following reasons:

- a. If Member violates the conditions under which Cooperative supplies service under his agreement for purchase of power and these Service Regulations.
- b. For the use of electricity for any property or purpose other than that described in the application made thereof.
- c. Under any flat rate service, for addition to such property or fixtures or increase in the use to be made of electricity.
- d. For failure to maintain in good order service entrance facilities or equipment owned by the Member.
- e. For tampering with any service wires, meter, seal or any other facilities of the Cooperative.

- f. In case the Member vacates premises either permanently, with or without notice to the Cooperative, or temporarily, with notice to the Cooperative, to stop service for the vacation period.
- g. For use of equipment which adversely affects the Cooperative's service to its other Members.
- h. For refusal of reasonable access to property to the agent or employee of the Cooperative for the purpose of inspecting the facilities or for testing, reading, maintaining or removing meters.
- i. For fraudulent use of service.

The right to discontinue service for any of the above reasons may be exercised whenever and as often as such reasons may occur, and neither delay nor omission on the part of the Cooperative to enforce this Regulation shall be deemed a waiver of its right to enforce the same at any time so long as the reason continues.

Ten (10) days written notice will be given the Member before service is discontinued under this provision, except in the case of danger to life or property, in which case the Cooperative may discontinue service without notice.

#### 4. Disconnection, Discontinuance, and Reconnection Fees

If a Member is subject to disconnection for non-payment and a service order for in-person disconnection has been processed and a meter technician has been dispatched, the Member shall pay a processing/trip fee of \$20.00.

If service to a Member is disconnected or discontinued for any reason, the Member shall pay a \$30.00 fee for reconnection. If the Member requires reconnection after the regular working hours of the Cooperative, the charge will be \$75.00 for in-person connection and \$50.00 for remote reconnection.

If service to a Member is disconnected for meter tampering, Member shall pay the applicable reconnection fee as well as a \$200.00 meter tampering fee plus estimated usage and the cost to repair or replace the damaged meter before service is restored.

5.        Restoration of Service

The Cooperative will restore service when the cause of discontinuance has been removed and payment of all proper charges due from the Member, including the disconnection and reconnection charges and deposit set forth in these Service Regulations, has been paid.

DIXIE-ESCALANTE RURAL ELECTRIC ASSOCIATION, INC.

ELECTRIC SERVICE REGULATION NO. 13

STATE OF ARIZONA

PREPAID SERVICE

1. Availability

Prepaid electric service is available to any residential Member, provided the following criteria are met:

- a. New Members are eligible regardless of history or credit rating.
- b. For existing Members, any previous balance unpaid at the time the Member chooses to join the Prepaid program may be converted to a Prepaid Arrangement, pursuant to which 50% of any payment made on the account will go toward paying the Prepaid Arrangement and 50% will be applied to the Prepaid balance. Once the Prepaid Arrangement is paid in full, 100% of payments will go toward future electric usage.
- c. For Members with an account that was disconnected for non-payment, the Member may apply for Prepaid service. If the Member cannot pay the amount due for reconnection, the balance may be converted to a Prepaid Arrangement as described above.

2. Enrollment

- a. Member must execute a Prepaid Program Agreement.
- b. No deposit is required, but Member must have a \$50.00 Prepaid credit balance on the account.
- c. Member must have a valid email address.

3. Other Terms and Conditions

- a. Any security deposit on file with the Cooperative will be applied to the account balance or future Prepaid balance.

- b. Energy Assistance or other types of assistance will be applied to the Prepaid account when the Cooperative receives the payment.
- c. It is the Member's responsibility to regularly monitor the balance on his Prepaid account. Electric service will be subject to disconnection without any notice from the Cooperative at any time the Prepaid balance reaches zero. Disconnection will not be postponed due to medical or weather conditions.
- d. If service is disconnected, a minimum Prepaid credit balance of \$25.00 is required before service will be restored. Reconnection may take up to two (2) hours after payment is posted to the account.
- e. Prepaid accounts are not eligible for auto draft, budget billing or other payment arrangements.
- f. Members with Prepaid accounts will not receive paper bills.
- g. Payments to the Prepaid account can be made in the Cooperative's office during business hours, at the Cooperative's 24-hour kiosk, by mail, by phone, online, or using the Cooperative's app. If payments are made by mail, the Cooperative is not responsible for any delay in the receipt of payment.
- h. Member agrees to receive alerts regarding his Prepaid account via email, text message, or both.
- i. If a returned check or electronic chargeback is received on the Prepaid account, the amount of the chargeback and a return fee of \$25.00 will be charged to the Member's account immediately. If this charge causes the Prepaid balance to fall to zero, service may be disconnected within twenty-four (24) hours.
- j. If the Member requests to convert to a standard metered account, the Cooperative may require a deposit based on two (2) months average bill at the location. The Cooperative may also charge a security deposit based on existing credit reporting.

- k. The Cooperative reserves the right to remove any Member from the Prepaid program at any time, without consent or notification.
- l. The Cooperative shall be held harmless from any damage from loss of energy services, or during the reconnection of service, as a result of Member's participation in the Prepaid program.